

CHAPTER 147.

[H. B. 278.]

RELATING TO BANKS AND TRUST COMPANIES.

AN ACT relating to banks and trust companies, and amending section 52, chapter 80, Laws of 1917, as amended by section 22, chapter 42, Laws of 1933 (sec. 3259, Rem. Rev. Stat.; sec. 314-3, PPC).

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Section 52, chapter 80, Laws of 1917, as amended by section 22, chapter 42, Laws of 1933 (sec. 3259, Rem. Rev. Stat.; sec. 314-3, PPC), is amended to read as follows:

Transactions with employees permitted.

Section 52. 1. Any bank or trust company shall be permitted to make loans to any employee of such corporation, or to purchase, discount or acquire, as security or otherwise, the obligation or debt of any employer to any other person, to the same extent as if the employee were in no way connected with the corporation. Any bank or trust company shall

Officers.

be permitted to make loans to any officer of such corporation, or to purchase, discount or acquire, as security or otherwise, the obligation or debt of any officer to any other person: *Provided*, That the total

Limitation.

value of the loans made and obligation acquired for any one officer shall not exceed twenty-five hundred dollars (\$2500): *And provided further*, That

Majority vote of board required.

no such loan shall be made, or obligation acquired, unless a resolution authorizing the same shall be adopted by a vote of a majority of the board of directors of such corporation, at a meeting of the board of directors of such corporation held within thirty days next prior to the making of such loan or discount, and such vote and resolution shall be entered in the corporate minutes. No loan shall be made by any bank or trust company to any director

Entry on minutes.

Directors.

of such corporation, nor shall the note or obligation of such director be discounted by any such corpora-

tion, or by any officer or employee thereof in its behalf, unless a resolution authorizing the same shall be adopted by a vote of a majority of the entire board of directors of such corporation exclusive of the vote of such interested director, at a meeting of the board of directors of such corporation held within thirty days next prior to the making of such loan or discount, and such vote and resolution shall be entered in the corporate minutes.

Majority
vote
required.

Entry on
minutes.

The amount of any endorsement or agreement of suretyship or guaranty of any such director to the corporation shall be construed to be a loan within the provisions of this section. Any extension, renewal or modification of the terms of an existing obligation shall be construed to be a loan within the meaning of this section.

Loans to
directors
construed.

The Supervisor of Banking may at any time, if in his judgment excessive, unsafe or improvident loans are being made or are likely to be made by a bank or trust company to any of its directors, or to any corporation, copartnership or association of which such director is a stockholder, member, co-owner, or in which such director is financially interested, or like discounts of the notes or obligations of any such director, corporation, copartnership or association are being made or are likely to be made, require such bank or trust company to submit to him for approval all proposed loans to, or discounts of the note or obligation of, any such director, corporation, copartnership or association, and thereafter such proposed loans and discounts shall be reported upon such forms and with such information concerning the desirability and safety of such loans or discounts and of the responsibility and financial condition of the person, corporation, copartnership or association to whom such loan is to be made or whose note or obligation is to be discounted and of the amount and value of any collateral that may

Supervisor
may require
submitting
of such loan
for approval.

Reports on
forms pre-
scribed by
Supervisor.

be offered as security therefor, as the Supervisor of Banking may require, and no such loan or discount shall be made without his written approval thereon.

Interest in profits limited.

2. A director, officer or employee of a bank or trust company shall not (a) Have any interest, direct or indirect, in the profits of the corporation except to receive reasonable compensation for services actually rendered, which, in the case of an officer or director, shall be determined by the board of directors; and except to receive dividends upon any stock of the corporation that he may own, the same as any other stockholder and under the same regulations and conditions; and except to receive interest upon deposits he may have with the corporation, the same as other like depositors and under the same regulations and conditions: *Provided, however,* That nothing in this section shall be construed to prevent the payment to an employee of a salary bonus in addition to his normal salary, when such bonus is authorized by a resolution adopted by a vote of a majority of the board of directors of such corporation.

Authorized salary bonus excepted.

Membership on board of another similar institution.

(b) Become a member of the board of directors of any other bank or trust company or a national banking association, of which board enough other directors, officers or employees of the corporation are members to constitute with him a majority of its board of directors.

Compensations, benefits, commission or banking transactions prohibited.

(c) Receive directly or indirectly and retain for his own use any commission or benefit from any loan made or other transaction had by the corporation, or any pay or emolument for services rendered to any borrower from the corporation or from any person transacting business with it, in connection with the loan or transaction, except that an attorney for the corporation, though he be a director

Attorneys excepted.

thereof, may receive reasonable compensation for professional services rendered the borrower or other person.

Passed the House February 28, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 148.

[H. B. 279.]

ESCHEAT OF UNCLAIMED DIVIDENDS AND OTHER PROPERTY.

AN ACT relating to banking and trust business, and the escheat of unclaimed dividends and other property.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Whenever any bank or trust company shall voluntarily liquidate, any dividends to depositors or other creditors of such bank or trust company remaining uncalled for and unpaid at the conclusion of the liquidation shall be transmitted to the Supervisor of Banking and shall be deposited by him in a bank or trust company to his credit in trust for the benefit of the persons entitled thereto, and shall be paid by him to them upon receipt of satisfactory evidence of their right thereto.

Unclaimed dividends transmitted to supervisor.

Deposit in trust for owner.

All moneys so deposited remaining unclaimed for five years after deposit shall escheat to the state for the benefit of the permanent school fund and shall be paid by the Supervisor of Banking into the state treasury. It shall not be necessary to have the escheat adjudged in a suit or action.

Automatic escheat to school fund after five years.

SEC. 2. Whenever any bank or trust company shall be liquidated, voluntarily or involuntarily, and shall retain in its possession at the conclusion of the liquidation, uncalled for and unclaimed personal property left with it for safekeeping, such property

Unclaimed personal property.