

FIRST REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 707

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES CUNNINGHAM (145) (Sponsor) AND BYRD (Co-sponsor).

Read 1st time March 3, 2005 and copies ordered printed.

Read 2nd time March 7, 2005 and referred to the Committee on Financial Institutions March 7, 2005.

Reported from the Committee on Financial Institutions March 15, 2005 with recommendation that the bill Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

Reported from the Committee on Rules March 17, 2005 with recommendation that the bill Do Pass by Consent with no time limit for debate.

Perfected by Consent April 1, 2005.

STEPHEN S. DAVIS, Chief Clerk

1970L.01P

AN ACT

To repeal sections 361.070, 361.080, 361.262, 361.365, 362.042, 362.107, 362.170, 362.210, 362.213, 362.215, 362.217, 362.225, 362.300, 362.305, 362.310, 362.315, 362.520, and 362.600, RSMo, and to enact in lieu thereof twelve new sections relating to banking, with a penalty provision.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 361.070, 361.080, 361.262, 361.365, 362.042, 362.107, 362.170,
2 362.210, 362.213, 362.215, 362.217, 362.225, 362.300, 362.305, 362.310, 362.315, 362.520, and
3 362.600, RSMo, are repealed and twelve new sections enacted in lieu thereof, to be known as
4 sections 361.070, 361.080, 361.262, 361.365, 362.042, 362.107, 362.170, 362.225, 362.310,
5 362.315, 362.520, and 362.600, to read as follows:

361.070. 1. The director of finance[, deputy director, other assistants and examiners, and
2 all special agents and other employees shall each] **and all employees of the division of finance,**
3 **which term shall, for purposes of this section and section 361.080, include special agents,**
4 **shall**, before entering upon the discharge of [his] **their** duties, take [and subscribe] the oath of
5 office [as] prescribed by the constitution, and, in addition, **take an oath** that [he] **they** will not

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

6 reveal the conditions or affairs of any [bank, banker or trust company in this state or of any credit
7 union or small loan business] **financial institution** or any facts pertaining to the same, that may
8 come to [his] **their** knowledge by virtue of [his] **their** official position, unless required by law
9 [so] to do **so** in the discharge of the duties of [his said office] **their offices** or [as a witness] **when**
10 **testifying** in any **court** proceeding [in a court of justice]. **For purposes of this section and**
11 **section 361.080, the term "financial institution" shall mean any entity subject to**
12 **chartering, licensing, or regulation by the division of finance.**

13 2. The director of finance[, deputy, assistants and examiners] **and all employees of the**
14 **division of finance** shall further execute to the state of Missouri good and sufficient bonds with
15 corporate surety, to be approved by the governor and attorney general, conditioned that they will
16 faithfully and impartially discharge the duties of their offices, and pay over to the persons entitled
17 by law to receive it, all [moneys] **money** coming into their hands by virtue of their offices[; and
18 any special agent or other employee shall give a bond, approved as aforesaid, as may be
19 required]. The principal amount of bond applicable to each employee shall be determined by the
20 state banking board. The bond, after approval by the governor and attorney general, [as above
21 provided,] shall be filed with the secretary of state for safekeeping. The **bond** premiums [on the
22 bond], not to exceed one percent on the amount thereof, shall be paid out of the state treasury in
23 the same manner as other expenses of the division.

24 3. [No employee] **Neither the director of finance nor any employees** of the division
25 **of finance** who [participates] **participate** in the examination of any bank or trust company, or
26 who may be called upon to make any official decision or determination affecting the operation
27 of any bank or trust company, other than the [two] banker members of the state banking board,
28 shall be an officer, director, attorney, owner, or holder of stock in any bank or trust company or
29 any bank holding company as that term is defined in section 362.910, RSMo, [or] **nor shall they**
30 receive, directly or indirectly, any payment or gratuity from any such organization, [or] **nor**
31 engage in the negotiation of loans for others with any state bank or trust company, [or] **nor** be
32 indebted to any state bank or trust company.

33 4. **The director of finance, in connection with any examination or investigation of**
34 **any person, company, or event, shall have the authority to compel the production of**
35 **documents and electronic records in whatever form they may exist, and shall have the**
36 **authority to compel the attendance of and administer oaths to any person having**
37 **knowledge of any issue involved with the examination or investigation.**

361.080. 1. To ensure the integrity of the [bank] examination process, the director of
2 finance[, his deputies, clerks, stenographers, each examiner and every employee] **and all**
3 **employees of the division of finance** shall be bound[,] under oath[,] to keep secret all facts and
4 information obtained in the course of all examinations[, except so far as the public duty of such

5 officer requires him to report upon or take special action regarding the affairs of any bank, trust
6 company or small loan business,] and **investigations** except:

7 (1) **When the director of finance determines that public duty requires reporting or**
8 **taking special action;**

9 (2) When [he is] called as a witness in [any] **a court** proceeding [in a court of justice]
10 relating to such financial institution's safety and soundness or in any criminal proceeding;

11 (3) **When reporting on the condition of the financial institution to the officers and**
12 **directors of the financial institution or to a holding company which owns the financial**
13 **institution;**

14 (4) **When reporting findings to a complainant or a complainant's representative;**

15 (5) **When exchanging information with any agency which regulates financial**
16 **institutions under federal law or the laws of any state when the director of finance**
17 **determines that the sharing of information is necessary for the proper performance by the**
18 **director of finance and the other agencies, that such information shall remain confidential**
19 **as subject to this section and section 361.070, and that such agencies routinely share**
20 **information with the division of finance;**

21 (6) **When authorized by the financial institution's board of directors to provide the**
22 **information to anyone else; or**

23 (7) **When the director determines disclosure of nonpublic information may be**
24 **appropriate or necessary subject to such conditions and limitations, including an**
25 **agreement of confidentiality or protective order, as the director deems appropriate.**

26 2. In all other circumstances, facts and information obtained by the **director of finance**
27 **and the employees of the** division of finance [in the course of] **through** examinations or
28 investigations [of a bank or trust company] shall be held in confidence [and not disclosed] absent
29 a court's finding of compelling reasons for disclosure. Such finding shall demonstrate that the
30 need for the information sought outweighs the public interest in free and open communications
31 during the [bank] examination **or investigation** process. In no event shall a [bank, trust
32 company,] **financial institution** or any director, officer, **or** employee[, or agent] thereof be [held
33 liable for] **charged with** libel, slander or defamation [of character] for any good faith
34 communications [by such bank, trust company or any director, officer, employee, or agent
35 thereof to] **with** the director of finance or [his deputies, examiners, or] **any employees of the**
36 **division of finance.** [Provided, however, that nothing in this section shall prohibit the disclosure
37 of examination or investigation reports and work papers to a bank or trust company when a
38 dispute arises concerning the examination or investigation of such bank or trust company.]

39 3. If [any] **the director of finance**[, deputy, clerk, stenographer or examiner shall] **or any**
40 **employees of the division of finance** disclose the name of any debtor of any [bank, trust

41 company or small loan business, or anything relative to the private accounts, affairs or
42 transactions of the bank, trust company or small loan business, or shall] **financial institution or**
43 disclose any facts obtained in the course of [his or their] **any examination or investigation** of
44 any [bank, trust company or small loan business] **financial institution**, except as herein
45 provided, [he] **the disclosing party** shall be deemed guilty of a misdemeanor and upon
46 conviction [thereof] shall be subject to a forfeiture of [his] office and the payment of a fine [of]
47 not [more than] **to exceed** one thousand dollars[; provided, however, that the director of finance,
48 his deputies, and each examiner may exchange information with the Federal Reserve Board, the
49 federal reserve banks, or with examiners duly appointed by the Federal Reserve Board, or by the
50 federal reserve banks, the Comptroller of Currency of the United States, or with examiners duly
51 appointed by him, the Federal Deposit Insurance Corporation or the examiners duly appointed
52 by it, or any other agency which regulates financial institutions under the laws of the federal
53 government or of this state or any other state when the director of finance determines that the
54 sharing of such information is necessary for the proper performance of the bank examination,
55 supervisory or regulatory duties of such agencies and examiners, that such information will
56 receive protection from disclosure comparable to that accorded by section 361.070 and this
57 section, and such agencies and examiners routinely share such information with the division of
58 finance; and provided, further, that reports shall be made of the condition of the affairs of a bank
59 or trust company ascertained from the examination to the officers and directors of the bank or
60 trust company examined, and to the finance director, and to any holding company owning control
61 of such bank or trust company if authorized by the board of directors of the bank or trust
62 company].

361.262. 1. Whenever it shall appear to the director, from any examination made by him
2 or [his] **her or any** examiners, that any director, officer, or any other person participating in the
3 conduct of the affairs of a corporation subject to this chapter has committed any violation of law
4 or regulation or of a cease and desist order, or has violated any condition imposed in writing by
5 the director in connection with the grant of any application or other request by such corporation
6 or any written agreement between such corporation and the director, or has engaged or
7 participated in any unsafe or unsound practice in connection with the corporation, or has
8 committed or engaged in any act, omission, or practice which constitutes a breach of his
9 fiduciary duty to the corporation, and the director determines that the corporation has suffered
10 or will probably suffer financial loss or other damage or that the interests of its depositors could
11 be prejudiced by reason of such violation or practice or breach of fiduciary duty, or that the
12 director or officer or other person has received financial gain by reason of such violation or
13 practice or breach of fiduciary duty, and such violation or practice or breach of fiduciary duty is
14 one involving personal dishonesty on the part of such director, officer or other person, or one

15 which demonstrates a willful or continuing disregard for the safety or soundness of the
16 corporation, the director may serve upon such director, officer, or other person, a written notice
17 of his intention to remove him **or her** from office.

18 2. When it shall appear to the director from any examination made by him or [his] **her**
19 **or any** examiners that any director or officer of a corporation subject to this chapter, by conduct
20 or practice with respect to another such corporation or any business institution which resulted
21 in financial loss or other damage, has evidenced either his **or her** personal dishonesty or a willful
22 or continuing disregard for its safety and soundness and, in addition, has evidenced his **or her**
23 unfitness to continue as a director or officer and whenever it shall appear to the director that any
24 other person participating in the conduct of the affairs of a corporation subject to this chapter,
25 by conduct or practice with respect to such corporation or other corporation or other business
26 institution which resulted in financial loss or other damage, has evidenced either his **or her**
27 personal dishonesty or willful or continuing disregard for its safety and soundness and, in
28 addition, has evidenced his **or her** unfitness to participate in the conduct of the affairs of such
29 corporation, the director may serve upon such director, officer, or other person a written notice
30 of intention to remove him **or her** from office or to prohibit [his] further participation in any
31 manner in the conduct of the affairs of the corporation **or from any other banking, savings, or**
32 **trust institution supervised by the director.**

33 3. Whenever it shall appear to the director to be necessary for the protection of any
34 corporation or its depositors, he **or she** may, by written notice to such effect served upon any
35 director, officer, or other person referred to in subsection 1 or 2 of this section, suspend him **or**
36 **her** from office or prohibit [him from] further participation in any manner in the conduct of the
37 affairs of the corporation. Such suspension or prohibition shall become effective upon service
38 of such notice and shall remain in effect pending the completion of the administrative
39 proceedings pursuant to the notice served under subsection 1 or 2 of this section and until such
40 time as the director shall dismiss the charges specified in such notice or, if an order of removal
41 or prohibition is issued against the director or officer or other person, until the effective date of
42 any such order. Copies of any such notice shall also be served upon the corporation of which
43 he **or she** is a director or officer or in the conduct of whose affairs he **or she** has participated.

44 4. Except as provided in subsection 5 of this section, any person who, pursuant to an
45 order issued under this section, has been removed or suspended from office in a corporation or
46 prohibited from participating in the conduct of the affairs of a corporation may not, while such
47 order is in effect, continue or commence to hold any office in, or participate in any manner in,
48 the conduct of the affairs of any other corporation subject to the provisions of this chapter.

49 5. If, on or after the date an order is issued under this section which removes or suspends
50 from office any person or prohibits such person from participating in the conduct of the affairs

51 of a corporation, such party receives the written consent of the director, subsection 4 of this
52 section shall, to the extent of such consent, cease to apply to such person with respect to the
53 corporation described in the written consent and the director shall publicly disclose such consent.
54 Any violation of subsection 4 of this section by any person who is subject to an order described
55 in such subsection shall be treated as a violation of the order.

361.365. The director may appoint the Federal Deposit Insurance Corporation as
2 liquidating agent of any banking corporation insured thereby of which he **or she** has duly taken
3 possession under any provision of this chapter, and the Federal Deposit Insurance Corporation
4 as liquidating agent shall thereupon be vested with both legal and equitable title to all the assets,
5 rights, claims and other real and personal property of the closed bank. The Federal Deposit
6 Insurance Corporation as liquidating agent shall have power to perform all acts of the director
7 in the liquidation of the closed bank. [The director shall petition the circuit court in the judicial
8 district in which the principal office of such insured banking corporation is located for an order
9 confirming the appointment of the Federal Deposit Insurance Corporation as liquidating agent
10 of such bank.]

362.042. **1.** Any bank or trust company may at any time restate its articles of agreement
2 as theretofore amended, in the following manner:

3 (1) The directors may adopt a resolution setting forth the proposed restated articles of
4 agreement and directing that they be submitted to a vote at a meeting of stockholders, which may
5 be either an annual or a special meeting, except that the proposed restated articles of agreement
6 need not be adopted by the directors and may be submitted directly to an annual or special
7 meeting of stockholders.

8 (2) Notice shall be given as provided in section 362.044.

9 (3) At the meeting a vote of the stockholders entitled to vote thereon shall be taken on
10 the proposed restated articles. The proposed restated articles shall be adopted upon receiving the
11 affirmative vote of a majority of the outstanding shares entitled to vote.

12 (4) Upon such approval, restated articles of agreement shall be executed in duplicate by
13 the bank or trust company by its president or a vice president and by its cashier or secretary or
14 an assistant cashier or secretary, and verified by one of the officers signing the articles. The
15 restated articles shall contain a statement that the restated articles correctly set forth without
16 change the corresponding provisions of the articles of agreement as heretofore amended, and that
17 the restated articles of agreement supersede the original articles of agreement and all
18 amendments thereto.

19 (5) Duplicate originals of the restated articles of agreement shall be delivered to the
20 director of finance. If the director finds that the restated articles conform to law, and that all

21 required fees have been paid, he or she shall file the same, and one of such copies shall be
22 retained by the director in the public records of the division of finance.

23 (6) The director thereupon shall issue a restated certificate of incorporation setting forth
24 the name of the bank or trust company, the amount of its capital subscribed and paid up in full,
25 the period of its existence, and the address and location in the city or town at which the
26 corporation is authorized to conduct its business. A certified copy of the restated articles shall
27 be attached to the restated certificate of incorporation and delivered to the bank or trust company.

28 (7) Upon the issuance of the restated certificate of incorporation by the director of
29 finance, the restated articles shall supersede the original articles of agreement and all
30 amendments thereto.

31 **2. The articles of incorporation may be amended at the time of restatement of the**
32 **articles of incorporation in the following manner:**

33 (1) **The procedure required by this chapter for effecting an amendment to the**
34 **articles of incorporation may be carried out concurrently with the procedure for**
35 **restatement so that the proposed amendment and the restated articles may be presented**
36 **to the same meeting of directors and shareholders;**

37 (2) **Such amendment, upon adoption by that percentage vote of shareholders**
38 **required for that particular amendment, and on being set forth in the certificate of**
39 **amendment required by this chapter, may then be incorporated into such restated articles**
40 **of incorporation;**

41 (3) **Duplicate originals of the amended and restated articles of agreement shall be**
42 **delivered to the director of finance. If the director finds that the amended and restated**
43 **articles conform to law, and that all required fees have been paid, he or she shall file the**
44 **same, and one of such copies shall be retained by the director in the public records of the**
45 **division of finance;**

46 (4) **The director shall then issue a restated certificate of incorporation setting forth**
47 **the name of the bank or trust company, the amount of its capital subscribed and paid up**
48 **in full, the period of its existence, and the address and location in the city or town at which**
49 **the corporation is authorized to conduct its business. A certified copy of the amended**
50 **article and restated articles shall be attached to the restated certificate of incorporation**
51 **and delivered to the bank or trust company; and**

52 (5) **Upon the issuance of the restated articles of incorporation by the director of**
53 **finance, the amended and restated articles shall supersede the original articles of**
54 **agreement and all amendments to them.**

362.107. 1. Every bank and every trust company organized under Missouri law may, upon compliance with this section, establish, maintain and operate branches separate and apart from the location designated in its articles of agreement.

2. No bank or trust company may establish, maintain or operate any branch without having first obtained the approval of the director of finance; **provided, however, that a drop box for deposit purposes shall not be considered a branch.**

3. All those services which a bank or trust company is authorized by law to provide may be provided at any of its branches.

4. Whenever any bank or trust company desires to establish, maintain and operate a branch, or to move a branch previously established to another location, it shall apply to the director of finance for such authority and provide the director of finance with such relevant information as he **or she** may reasonably request. In determining whether or not to approve the application, the director of finance shall consider:

(1) The convenience, needs and welfare of the people of the community and area to be served;

(2) The financial strength of the bank or trust company making application for the branch in relation to the cost of establishing, maintaining and operating the branch;

(3) Whether any other banks or trust companies will be seriously injured by the approval of the application for the branch; provided, however, any bank which purchases assets of a **closed** bank or a failed savings and loan association closed by its chartering authority, may establish, maintain and operate branches at all locations which were operated by the closed bank or failed savings and loan association. For purposes of this section, the terms "closed bank" or "failed savings and loan association" shall include a bank or savings and loan association whose sale is arranged by the Federal Deposit Insurance Corporation[, Resolution Trust Corporation,] or similar [organization] **agency** in order to avoid failure.

5. The decision of the director of finance granting or denying any such application may be appealed in the same manner as decisions by him **or her** pursuant to section 362.040 may be appealed.

6. National banking associations located in Missouri shall have the same but no greater right under or by virtue of this section as banks and trust companies which are organized under Missouri law.

362.170. 1. As used in this section, the term "unimpaired capital" includes common and preferred stock, capital notes, the surplus fund, undivided profits and any reserves, not subject to known charges as shown on the next preceding published report of the bank or trust company to the director of finance or obtained by the director pursuant to subsection 3 of section 361.130,

5 RSMo. For purposes of lending limitations, goodwill may comprise no more than ten percent
6 of unimpaired capital.

7 2. No bank or trust company subject to the provisions of this chapter shall:

8 (1) Directly or indirectly, lend to any individual, partnership, corporation, limited
9 liability company or body politic, either by means of letters of credit, by acceptance of drafts, or
10 by discount or purchase of notes, bills of exchange, or other obligations of the individual,
11 partnership, corporation, limited liability company or body politic an amount or amounts in the
12 aggregate which will exceed the greater of: (i) twenty-five percent of the unimpaired capital of
13 the bank or trust company, provided such bank or trust company has a composite rating of 1 or
14 2 under the Capital, Assets, Management, Earnings, Liquidity and Sensitivity (CAMELS) rating
15 system of the Federal Financial Institute Examination Counsel (FFIEC); (ii) fifteen percent of
16 the unimpaired capital of the bank or trust company if located in a city having a population of
17 one hundred thousand or over; twenty percent of the unimpaired capital of the bank or trust
18 company if located in a city having a population of less than one hundred thousand and over
19 seven thousand; and twenty-five percent of the unimpaired capital of the bank or trust company
20 if located elsewhere in the state, with the following exceptions:

21 (a) The restrictions in this subdivision shall not apply to:

22 a. Bonds or other evidences of debt of the government of the United States or its
23 territorial and insular possessions, or of the state of Missouri, or of any city, county, town,
24 village, or political subdivision of this state;

25 b. Bonds or other evidences of debt, the issuance of which is authorized under the laws
26 of the United States, and as to which the government of the United States has guaranteed or
27 contracted to provide funds to pay both principal and interest;

28 c. Bonds or other evidences of debt of any state of the United States other than the state
29 of Missouri, or of any county, city or school district of the foreign state, which county, city, or
30 school district shall have a population of fifty thousand or more inhabitants, and which shall not
31 have defaulted for more than one hundred twenty days in the payment of any of its general
32 obligation bonds or other evidences of debt, either principal or interest, for a period of ten years
33 prior to the time of purchase of the investment and provided that the bonds or other evidences
34 of debt shall be a direct general obligation of the county, city, or school district;

35 d. Loans to the extent that they are insured or covered by guaranties or by commitments
36 or agreements to take over or purchase made by any department, bureau, board, commission, or
37 establishment of the United States or of the state of Missouri, including any corporation, wholly
38 owned, directly or indirectly, by the United States or of the state of Missouri, pursuant to the
39 authority of any act of Congress or the Missouri general assembly heretofore or hereafter adopted
40 or amended or pursuant to the authority of any executive order of the President of the United

41 States or the governor of Missouri heretofore or hereafter made or amended under the authority
42 of any act of Congress heretofore or hereafter adopted or amended, and the part of the loan not
43 so agreed to be purchased or discounted is within the restrictive provisions of this section;

44 e. Obligations to any bank or trust company in the form of notes of any person,
45 copartnership, association, corporation or limited liability company, secured by not less than a
46 like amount of direct obligations of the United States which will mature in not exceeding five
47 years from the date the obligations to the bank are entered into;

48 f. Loans to the extent they are secured by a segregated deposit account in the lending
49 bank if the lending bank has obtained a perfected security interest in such account;

50 g. Evidences of debt which are direct obligations of, or which are guaranteed by, the
51 Government National Mortgage Association, the Federal National Mortgage Association, the
52 Student Loan Marketing Association, the Federal Home Loan Banks, the Federal Farm Credit
53 Bank or the Federal Home Loan Mortgage Corporation, or evidences of debt which are fully
54 collateralized by direct obligations of, and which are issued by, the Government National
55 Mortgage Association, the Federal National Mortgage Association, the Student Loan Marketing
56 Association, a Federal Home Loan Bank, the Federal Farm Credit Bank or the Federal Home
57 Loan Mortgage Corporation;

58 (b) The total liabilities to the bank or trust company of any individual, partnership,
59 corporation or limited liability company may equal but not exceed thirty-five percent of the
60 unimpaired capital of the bank or trust company; provided, that all of the total liabilities in
61 excess of the legal loan limit of the bank or trust company as defined in this subdivision are upon
62 paper based upon the collateral security of warehouse receipts covering agricultural products or
63 the manufactured or processed derivatives of agricultural products in public elevators and public
64 warehouses subject to state supervision and regulation in this state or in any other state of the
65 United States, under the following conditions: first, that the actual market value of the property
66 held in store and covered by the receipt shall at all times exceed by at least fifteen percent the
67 amount loaned upon it; and second, that the property covered by the receipts shall be insured to
68 the full market value thereof against loss by fire and lightning, the insurance policies to be issued
69 by corporations or individuals licensed to do business by the state in which the property is
70 located, and when the insurance has been used to the limit that it can be secured, then in
71 corporations or with individuals licensed to do an insurance business by the state or country of
72 their incorporation or residence; and all policies covering property on which the loan is made
73 shall have endorsed thereon, "loss, if any, payable to the holder of the warehouse receipts"; and
74 provided further, that in arriving at the amount that may be loaned by any bank or trust company
75 to any individual, partnership, corporation or limited liability company on elevator or warehouse
76 receipts there shall be deducted from the thirty-five percent of its unimpaired capital the total of

77 all other liabilities of the individual, partnership, corporation or limited liability company to the
78 bank or trust company;

79 (c) In computing the total liabilities of any individual to a bank or trust company there
80 shall be included all liabilities to the bank or trust company of any partnership of which the
81 individual is a member, and any loans made for the individual's benefit or for the benefit of the
82 partnership; of any partnership to a bank or trust company there shall be included all liabilities
83 of and all loans made for the benefit of the partnership; of any corporation to a bank or trust
84 company there shall be included all loans made for the benefit of the corporation and of any
85 limited liability company to a bank or trust company there shall be included all loans made for
86 the benefit of the limited liability company;

87 (d) The purchase or discount of drafts, or bills of exchange drawn in good faith against
88 actually existing values, shall not be considered as money borrowed within the meaning of this
89 section; and the purchase or discount of negotiable or nonnegotiable paper which carries the full
90 recourse endorsements or guaranty or agreement to repurchase of the person, copartnership,
91 association, corporation or limited liability company negotiating the same, shall not be
92 considered as money borrowed by the endorser or guarantor or the repurchaser within the
93 meaning of this section, provided that the files of the bank or trust company acquiring the paper
94 contain the written certification by an officer designated for this purpose by its board of directors
95 that the responsibility of the makers has been evaluated and the acquiring bank or trust company
96 is relying primarily upon the makers thereof for the payment of the paper;

97 (e) For the purpose of this section, a loan guaranteed by an individual who does not
98 receive the proceeds of the loan shall not be considered a loan to the guarantor;

99 (f) Investments in mortgage-related securities, as described in the Secondary Mortgage
100 Market Enhancement Act of 1984, P.L. 98-440, excluding those described in subparagraph g.
101 of paragraph (a) of subdivision (1) of this subsection, shall be subject to the restrictions of this
102 section, provided that a bank or trust company may invest up to two times its legal loan limit in
103 any such securities that are rated in one of the two highest rating categories by at least one
104 nationally recognized statistical rating organization;

105 (2) Nor shall any of its directors, officers, agents, or employees, directly or indirectly
106 purchase or be interested in the purchase of any certificate of deposit, pass book, promissory
107 note, or other evidence of debt issued by it, for less than the principal amount of the debt, without
108 interest, for which it was issued. Every bank or trust company or person violating the provisions
109 of this subdivision shall forfeit to the state the face value of the note or other evidence of debt
110 so purchased;

111 (3) Make any loan or discount on the security of the shares of its own capital stock, or
112 be the purchaser or holder of these shares, unless the security or purchase shall be necessary to

113 prevent loss upon a debt previously contracted in good faith, and stock so purchased or acquired
114 shall be sold at public or private sale, or otherwise disposed of, within six months from the time
115 of its purchase or acquisition unless the time is extended by the finance director. Any bank or
116 trust company violating any of the provisions of this subdivision shall forfeit to the state the
117 amount of the loan or purchase;

118 (4) Knowingly lend, directly or indirectly, any money or property for the purpose of
119 enabling any person to pay for or hold shares of its stock, unless the loan is made upon security
120 having an ascertained or market value of at least fifteen percent more than the amount of the
121 loan. Any bank or trust company violating the provision of this subdivision shall forfeit to the
122 state the amount of the loan;

123 (5) [No salaried officer of any bank or trust company shall use or borrow for himself or
124 herself, directly or indirectly, any money or other property belonging to any bank or trust
125 company of which the person is an officer, in excess of ten percent of the unimpaired capital of
126 the bank or trust company, nor shall the total amount loaned to all salaried officers of any bank
127 or trust company exceed twenty-five percent of the unimpaired capital of the bank or trust
128 company. Where loans and a line of credit are made to salaried officers, the loans and line of
129 credit shall first be approved by a majority of the board of directors or of the executive or
130 discount committee, the approval to be in writing and the officer to whom the loans are made,
131 not voting. The form of the approval shall be as follows:

132 We, the undersigned, constituting a majority of the of the (bank
133 or trust company), do hereby approve a loan of \$..... or a line of credit of
134 \$....., or both, to, it appearing that the loan or line of credit, or
135 both, is not more than 10 percent of the unimpaired capital of (bank or trust
136 company); it further appearing that the loan (money actually advanced) will not make the
137 aggregate of loans to salaried officers more than 25 percent of the unimpaired capital of the bank
138 or trust company.

139
140
141
142

143 Dated this day of, 20.....

144

145 Provided, if the officer owns or controls a majority of the stock of any other corporation, a loan
146 to that corporation shall be considered for the purpose of this subdivision as a loan to the officer.]

147 **Loans or other extensions of credit to officers and directors shall be in accordance with**
148 **Federal Reserve Board Regulation O, 12 CFR 215.1 et seq.** Every bank or trust company or

149 officer thereof knowingly violating the provisions of this subdivision shall, for each offense,
150 forfeit to the state the amount [lent] **of the loan or extension of credit;**

151 (6) Invest or keep invested in the stock of any private corporation, provided however,
152 a bank or trust company may invest in equity stock in the Federal Home Loan Bank up to twice
153 the limit described in subdivision (1) of this subsection and except as otherwise provided in this
154 chapter.

155 3. Provided, that the provisions in this section shall not be so construed as in any way
156 to interfere with the rules and regulations of any clearinghouse association in this state in
157 reference to the daily balances; and provided, that this section shall not apply to balances due
158 from any correspondent subject to draft.

159 4. Provided, that a trust company which does not accept demand deposits shall be
160 permitted to make loans secured by a first mortgage or deed of trust on real estate to any
161 individual, partnership, corporation or limited liability company, and to deal and invest in the
162 interest-bearing obligations of any state, or any city, county, town, village, or political
163 subdivision thereof, in an amount not to exceed its unimpaired capital, the loans on real estate
164 not to exceed sixty-six and two-thirds percent of the appraised value of the real estate.

165 5. Any officer, director, agent, clerk, or employee of any bank or trust company who
166 willfully and knowingly makes or concurs in making any loan, either directly or indirectly, to any
167 individual, partnership, corporation or limited liability company or by means of letters of credit,
168 by acceptance of drafts, or by discount or purchase of notes, bills of exchange or other obligation
169 of any person, partnership, corporation or limited liability company, in excess of the amounts set
170 out in this section, shall be deemed guilty of a class C felony.

171 6. A trust company in existence on October 15, 1967, or a trust company incorporated
172 thereafter which does not accept demand deposits, may invest in but shall not invest or keep
173 invested in the stock of any private corporation an amount in excess of fifteen percent of the
174 capital and surplus fund of the trust company; provided, however, that this limitation shall not
175 apply to the ownership of the capital stock of a safe deposit company as provided in section
176 362.105; nor to the ownership by a trust company in existence on October 15, 1967, or its
177 stockholders of a part or all of the capital stock of one bank organized under the laws of the
178 United States or of this state, nor to the ownership of a part or all of the capital of one
179 corporation organized under the laws of this state for the principal purpose of receiving savings
180 deposits or issuing debentures or loaning money on real estate or dealing in or guaranteeing the
181 payment of real estate securities, or investing in other securities in which trust companies may
182 invest under this chapter; nor to the continued ownership of stocks lawfully acquired prior to
183 January 1, 1915, and the prohibition for investments in this subsection shall not apply to

184 investments otherwise provided by law other than subdivision (4) of subsection 3 of section
185 362.105.

186 7. Any bank or trust company to which the provisions of subsection 2 of this section
187 apply may continue to make loans pursuant to the provisions of subsection 2 of this section for
188 up to five years after the appropriate decennial census indicates that the population of the city
189 in which such bank or trust company is located has exceeded the limits provided in subsection
190 2 of this section.

362.225. [1. Any bank or trust company may keep not more than fifty percent of the
2 reserves on deposit provided for by sections 362.210, 362.215 and 362.217 invested in:

3 (1) Unencumbered obligations of the United States government or obligations which are
4 fully guaranteed as to principal and interest by the United States government maturing in five
5 years or less; or

6 (2) Unencumbered funds sold to approved depositories to the extent permitted by the
7 Federal Deposit Insurance Corporation for insured institutions; or

8 (3) Securities of the type eligible for investment under subdivision (1) purchased from
9 approved depositories under agreements to resell, to the extent permitted by the Federal Deposit
10 Insurance Corporation for insured institutions.

11 2. All required reserves not so invested may be kept in a depository or depositories
12 designated by it, and which, except as otherwise provided in said sections, shall be a bank, trust
13 company or national banking association approved by the finance director.] **Missouri banks
14 and depository trust companies shall maintain reserves against aggregate deposits as
15 provided by the Federal Reserve Act and any amendments to such Act or of regulations
16 duly adopted and promulgated under such Act for banks and trust companies of similar
17 size and classification according to the requirements for the Federal Reserve District in
18 which the bank or deposit trust company is located. Federal Reserve Banks located in this
19 state shall be approved depositories for all banks and trust companies.**

362.310. Every bank and trust company shall create a fund to be known as a "surplus
2 fund". This fund may be created or increased by contributions[,] or by transfers from undivided
3 profits[, or from net earnings]. The fund up to forty percent of the capital of the bank or trust
4 company shall be used only for the payment of losses in excess of undivided profits; provided,
5 that the excess of surplus over forty percent, upon the approval of the director of finance, may
6 be capitalized as a stock dividend or may be transferred to undivided profits and used for cash
7 dividends in the discretion of the board of directors.

362.315. 1. **To determine the amount of net income or loss for the dividend period,
2 every bank or trust company shall account for all items of income and expense in
3 accordance with regulatory instructions for completing reports of condition and income.**

4 When the net [earnings] **income or loss** of a bank or trust company [have] **has** been determined
5 at the close of a dividend period [as provided in sections 362.300 and 362.305], if its surplus
6 fund does not equal forty percent of the capital of the bank or trust company, one-tenth of such
7 net [earnings] **income** shall be credited to the surplus fund or so much thereof, less than
8 one-tenth, as will make the fund equal forty percent of the capital; provided, that until the capital
9 and surplus fund of any bank or trust company now existing, the capital of which is not equal to
10 the requirements of section 362.050, equals forty percent more than the minimum of capital for
11 a bank or trust company in its location, one-tenth of its net [earnings] **income** at the close of each
12 dividend period shall be credited to the surplus fund.

13 2. [The balance of the net earnings, or the entire amount thereof if the fund equals the
14 forty percent, may be credited to the profit and loss account of the bank or trust company; or, if
15 its expenses and losses for the dividend period exceed its gross earnings, the excess shall be
16 charged to its profit and loss account.

17 3.] The credit balance of the [account shall constitute the] undivided profits **account** at
18 the close of the dividend period[, and shall] **may** be available for dividends. The directors of any
19 bank or trust company may from time to time declare such dividends as they shall judge
20 expedient from the undivided profits.

21 [4.] **3.** No bank or trust company shall declare, credit or pay any dividend to its
22 stockholders until it shall have made good any existing impairment of its capital, and all officers
23 or directors of the bank or trust company who shall assent to declaring and paying a dividend
24 while the capital stock is so impaired shall be jointly and severally liable to the creditors of the
25 bank or trust company to the amount of the dividend for any loss resulting from the payment of
26 the dividend.

362.520. 1. Any bank or trust company organized under the laws of the state of Missouri
2 or any national bank doing business in Missouri may remain closed on any Sunday or public
3 holiday, as defined in section 9.010, RSMo, and, in addition, on any day of the week fixed at
4 least fifteen days in advance by the adoption of a resolution to such effect by a majority vote of
5 the board of directors thereof, and notice thereof posted in the bank or trust company for the
6 same time.

7 2. Any bank or trust company may be closed or remain closed whenever in the judgment
8 of the directors, the president or other officer in charge, the lives or safety of the institution's
9 employees or the institution itself would be endangered or placed in jeopardy by an emergency
10 arising from fire, flood, storm, snow, power failure, shortage of fuel, robbery, riot or threat of
11 riot, or similar emergency. The bank or trust company so closed shall notify the director of
12 finance of its action and the reasons therefor within twelve hours thereafter and such bank or
13 trust company shall reopen within twenty-four hours after such closing unless permission shall

14 be granted by the director of finance to remain closed for a longer period of time. On all closings
15 under this section a full report in writing shall be furnished the director of finance.

16 3. Any day on which a bank or trust company organized under the laws of the state of
17 Missouri or national bank doing business in Missouri pursuant to this section, remains closed,
18 shall, with respect to the bank or trust company or national bank, be deemed a holiday for the
19 purposes of chapter 400, RSMo, and amendments thereto, and the bank or trust company or
20 national bank shall not be required to permit access to its safe-deposit vaults while it is so closed.

21 4. Where a contract by its terms requires the payment of money or the performance of
22 a condition on any such day by or at such bank or trust company or national bank the payment
23 may be made or condition performed on the next business day succeeding the day when the bank,
24 trust company or national bank shall so remain or be closed, with the same force and effect as
25 if made or performed in accordance with the terms of the contract.

26 5. A branch of any bank or trust company may be closed as provided in subsection 2 of
27 this section, whether or not the main banking house is so closed, but the day shall not be a bank
28 holiday as provided in subsections 3 and 4 of this section unless the main banking house is
29 closed.

30 **6. A branch office of any bank or trust company organized under the laws of the**
31 **state of Missouri may be temporarily closed for any reasonable period of time for repairs,**
32 **remodeling, or other purposes decided upon by the board of directors, provided that notice**
33 **of the board's resolution concerning such action is posted both in the lobby and on the**
34 **entrances of the affected location and supplied to the director of finance at least thirty days**
35 **prior to the temporary closing. The notice shall contain the address of the nearest branch**
36 **office or facility of the bank or trust company which will remain open during such period.**

362.600. 1. The term ["foreign corporation"] "**out-of-state bank or trust company**",
2 as used in this section, shall mean:

3 (1) Any bank or [other corporation] **trust company** now or hereafter organized under
4 the laws of any state of the United States other than Missouri; and

5 (2) Any national banking association **or any thrift institution under the jurisdiction**
6 **of the office of thrift supervision** having its principal place of business in any state of the
7 United States other than Missouri.

8 2. Except as provided in subsection 5 of this section, any [foreign corporation] **out-of-**
9 **state bank or trust company** may act in this state as trustee, executor, administrator, guardian,
10 or in any other like fiduciary capacity, without the necessity of complying with any law of this
11 state relating to the licensing of foreign banking corporations by the director of finance or
12 relating to the qualifications of foreign corporations to do business in this state, and

13 notwithstanding any prohibition, limitation or restriction contained in any other law of this state,
14 provided only that:

15 (1) The [foreign corporation] **out-of-state bank or trust company** is authorized to act
16 in this fiduciary capacity or capacities in the state in which it is incorporated, or, if the [foreign
17 corporation] **out-of-state bank or trust company** be a national banking association[,] **or a**
18 **thrift institution, it is authorized to act in this fiduciary capacity or capacities in the state**
19 in which it has its principal place of business; and

20 (2) Any bank or other corporation organized under the laws of this state or a national
21 banking association **or thrift institution** having its principal place of business in this state may
22 act in these fiduciary capacities in that state without further showing or qualification, other than
23 that it is authorized to act in these fiduciary capacities in this state, **compliance with minimum**
24 **capital, bonding, or securities pledge requirements applicable to all banks and trust**
25 **companies doing business in that state**, and compliance with any law of that state concerning
26 service of process:

27 (a) Which may require the appointment of an official or other person for the receipt of
28 process; or

29 (b) Which contains provisions to the effect that any bank or [other corporation,] **trust**
30 **company** which is not incorporated under the laws of that state, or if a national bank **or thrift**
31 **institution** then which does not have its principal place of business in that state, acting in that
32 state in a fiduciary capacity pursuant to provisions of law making it eligible to do so, shall be
33 deemed to have appointed an official of that state to be its true and lawful attorney upon whom
34 may be served all legal process in any action or proceeding against it relating to or growing out
35 of any trust, estate or matter in respect of which the [corporation] **entity** has acted or is acting
36 in that state in this fiduciary capacity, and that the acceptance of or engagement in that state in
37 any acts in this fiduciary capacity shall [be signification of] **deem** its agreement that the process
38 against it, which is so served, shall be of the same legal force and validity as though served upon
39 it personally, or which contains any substantially similar provisions.

40 **3.** Any [foreign corporation] **out-of-state bank or trust company** eligible to act in any
41 fiduciary capacity in this state pursuant to the provisions of this section may so act whether or
42 not a resident of this state be acting with it in this capacity, may use its corporate name in
43 connection with such activity in this state, and may be appointed to act in this fiduciary capacity
44 by any court having jurisdiction in the premises, all notwithstanding any provision of law to the
45 contrary. Nothing in this section contained shall be construed to prohibit or make unlawful any
46 activity in this state by a bank or [other corporation] **trust company** which is not incorporated
47 under the laws of this state, or if a national bank **or thrift institution** then which does not have
48 its principal place of business in this state, which would be lawful in the absence of this section.

49 [3.] **4.** Except as provided in subsection [5] **6** of this section, prior to the time when any
50 [foreign corporation] **out-of-state bank or trust company** acts pursuant to the authority of this
51 section in any fiduciary capacity or capacities in this state, the [foreign corporation] **out-of-state**
52 **bank or trust company** shall file with the director of finance a written application for a
53 certificate of reciprocity and the director of finance shall issue the certificate to the [foreign
54 corporation] **out-of-state bank or trust company**. The application shall state:

55 (1) The correct corporate name of the [foreign corporation] **out-of-state bank or trust**
56 **company**;

57 (2) The name of the state under the laws of which it is incorporated, or if the [foreign
58 corporation] **out-of-state bank or trust company** is a national banking association or **thrift**
59 **institution** shall state that fact;

60 (3) The address of its principal business office;

61 (4) In what fiduciary capacity or capacities it desires to act, in the state of Missouri;

62 (5) That it is authorized to act in a similar fiduciary capacity or capacities in the state in
63 which it is incorporated, or, if it is a national banking association, in which it has its principal
64 place of business;

65 (6) That the application shall constitute the irrevocable appointment of the director of
66 finance of Missouri as its true and lawful attorney to receive service of all legal process in any
67 action or proceeding against it relating to or growing out of any trust, estate or matter in respect
68 of which the [foreign corporation] **out-of-state bank or trust company** may act in this state in
69 the fiduciary capacity pursuant to the certificate of reciprocity applied for;

70 (7) Unless the [applicant is subject to the jurisdiction of the Office of Thrift Supervision,
71 that the applicant has provided with the application a fiduciary bond in the amount of one million
72 dollars for the benefit of the director of the division of finance in a format approved by the
73 director of the division of finance] **out-of-state bank or trust company verifies to the director**
74 **of the division of finance that it satisfies capital requirements equal to the new charter**
75 **requirement for a Missouri trust company or that it maintains a bond for the faithful**
76 **performance of all its fiduciary activities equivalent to the Missouri capital requirements,**
77 **the director may require the applicant to submit a bond issued by a surety company**
78 **authorized to do business in the state of Missouri in the minimum amount of one million**
79 **dollars in a form acceptable to the director of the division of finance. The surety bond**
80 **shall secure the faithful performance of the fiduciary obligations of the out-of-state bank**
81 **or trust company in Missouri.**

82

83 The application shall be verified by an officer of the [foreign corporation] **out-of-state bank or**
84 **trust company**, and there shall be filed with it such certificates of public officials and copies of

85 documents certified by public officials as may be necessary to show that the [foreign corporation]
86 **out-of-state bank or trust company** is authorized to act in a fiduciary capacity or capacities
87 similar to those in which it desires to act in the state of Missouri, in the state in which it is
88 incorporated, or, if it is a national banking association **or thrift institution** in which it has its
89 principal place of business. The director of finance shall, thereupon, if the [foreign corporation]
90 **out-of-state bank or trust company** is one which may act in the fiduciary capacity or capacities
91 as provided in subsection 2 of this section, issue to the [corporation] **entity** a certificate of
92 reciprocity, retaining a duplicate thereof together with the application and accompanying
93 documents in his or her office. The certificate of reciprocity shall recite and certify that the
94 [foreign corporation] **out-of-state bank or trust company** is eligible to act in this state pursuant
95 to this section and shall recite the fiduciary capacity or capacities in which the [foreign
96 corporation] **out-of-state bank or trust company** is eligible so to act.

97 [4.] **5.** A certificate of reciprocity issued to any [foreign corporation] **out-of-state bank**
98 **or trust company** shall remain in effect until the [foreign corporation] **out-of-state bank or**
99 **trust company** shall cease to be entitled under subsection 2 of this section to act in this state in
100 the fiduciary capacity or capacities covered by the certificate, and thereafter until revoked by the
101 director of finance. If at any time the [foreign corporation] **out-of-state bank or trust company**
102 shall cease to be entitled under subsection 2 of this section to act in this state in the fiduciary
103 capacity or capacities covered by the certificate, the director of finance shall revoke the
104 certificate and give written notice of the revocation to the [foreign corporation] **out-of-state**
105 **bank or trust company**. No revocation of any certificate of reciprocity shall affect the right of
106 the [foreign corporation] **out-of-state bank or trust company** to continue to act in this state in
107 a fiduciary capacity in estates or matters in which it has theretofore begun to act in a fiduciary
108 capacity pursuant to the certificate.

109 [5. A foreign corporation] **6. An out-of-state bank or trust company** shall not
110 establish or maintain in this state a place of business, branch office or agency for the conduct in
111 this state of business as a fiduciary unless:

112 (1) The [foreign corporation] **out-of-state bank or trust company** is under the control
113 of a Missouri bank or a Missouri bank holding company, as these terms are defined in section
114 362.925, and the [foreign corporation] **out-of-state bank or trust company** has complied with
115 the requirements relating to the qualifications of [foreign corporations] **out-of-state bank or**
116 **trust companies** to do business in this state;

117 (2) The [foreign corporation] **out-of-state bank or trust company** is a bank, trust
118 company or national banking association in good standing that possesses fiduciary powers from
119 its chartering authority and is the surviving corporation to a merger or consolidation with a
120 national banking association located in Missouri or a Missouri bank or trust company. The

121 provisions of this subdivision are enacted to implement subsection 2 of this section and section
122 362.610, and the provisions of Title 12, U.S.C. 36(f)(2) of the National Bank Act; or

123 (3) The [foreign corporation] **out-of-state bank or trust company** is a state-chartered
124 bank, savings and loan association, trust company [or], national banking association, **or thrift**
125 **institution** in good standing that possesses fiduciary powers and has received a certificate of
126 reciprocity, in which case it may only open a trust representative office in Missouri which is not
127 otherwise a branch of such [foreign corporation] **out-of-state bank or trust company**, provided
128 a bank, savings and loan association or trust company chartered under the laws of Missouri and
129 a national bank **or thrift institution** with its principal location in Missouri, all with fiduciary
130 powers, are permitted to open and operate a trust representative office under the same or less
131 restrictive conditions in the state in which the [foreign corporation] **out-of-state bank or trust**
132 **company** is organized or has its principal office.

133 [6. A foreign corporation] **7. An out-of-state bank or trust company**, insofar as it acts
134 in a fiduciary capacity in this state pursuant to the provisions of this section, shall not be deemed
135 to be transacting business in this state, if the [foreign corporation] **out-of-state bank or trust**
136 **company** does not establish or maintain in this state a place of business, branch office, or agency
137 for the conduct in this state of business as a fiduciary.

138 [7.] **8.** Every [foreign corporation] **out-of-state bank or trust company** to which a
139 certificate of reciprocity shall have been issued shall be deemed to have appointed the director
140 of finance to be its true and lawful attorney upon whom may be served all legal process in any
141 action or proceeding against it relating to or growing out of any trust, estate or matter in respect
142 of which the [foreign corporation] **out-of-state bank or trust company** acts in this state in any
143 fiduciary capacity pursuant to the certificate of reciprocity. Service of the process shall be made
144 by delivering a copy of the summons or other process, with a copy of the petition when service
145 of the copy is required by law, [together with a remittance of one dollar (to be taxed as costs in
146 the action or proceeding),] to the director of finance or to any person in his or her office
147 authorized [by him] to receive the service. The director of finance shall immediately forward
148 the process, together with the copy of the petition, if any, to the [foreign corporation] **out-of-**
149 **state bank or trust company**, by registered mail, addressed to it at the address on file with the
150 director, or if there be none on file then at its last known address. The director of finance shall
151 keep a permanent record in his or her office showing for all process served, the style of the action
152 or proceeding, the court in which it was brought, the name and title of the officer serving the
153 process, the day and hour of service, and the day of mailing by registered mail to the [foreign
154 corporation] **out-of-state bank or trust company** and the address to which mailed. In case the
155 process is issued by [an associate circuit judge] **a court**, the same may be directed to and served

156 by any officer authorized to serve process in the city or county where the director of finance shall
157 have his or her office, at least fifteen days before the return thereof.

158 [362.210. 1. Every bank and trust company shall maintain total reserves
159 against its aggregate demand deposits as follows:

160 (1) Eighteen percent of the deposits, if the bank or trust company is
161 located in a city having a population of two hundred thousand or over;

162 (2) Fifteen percent of the deposits, if the bank or trust company is located
163 in a city having a population of twenty-five thousand or over and less than two
164 hundred thousand;

165 (3) Fifteen percent of the deposits, if the bank or trust company is located
166 elsewhere in the state.

167 2. If any bank or trust company shall have become a member of any
168 reserve bank, it may maintain as reserves on deposit with the federal reserve bank
169 such portion of its total reserves as shall be required or permitted of members of
170 the federal reserve bank.]

171

172 [362.213. Notwithstanding anything to the contrary contained in section
173 362.210, or any other law of this state, no bank or trust company will be required
174 to maintain any percentage of reserves against its aggregate demand deposits
175 which is greater than the percentage required by the Federal Reserve Act and any
176 amendments thereto or of regulations duly adopted and promulgated thereunder
177 for banks or trust companies of similar size and classification, and provided
178 further that the percentage of reserves required of banks or trust companies not
179 members of the Federal Reserve System shall at no time exceed the limits set by
180 section 362.210.]

181

182 [362.215. In addition to reserves against demand deposits every bank and
183 trust company shall maintain reserves against its aggregate time deposits of at
184 least three percent of the time deposits, which shall be maintained as reserves on
185 hand as provided in section 362.210.]

186

187 [362.217. Any bank or trust company becoming a member of a federal
188 reserve bank and while it continues as such member, shall be required to maintain
189 only such reserves as are required by the Federal Reserve Act and any
190 amendments thereto.]

191

192 [362.300. To determine the amount of gross earnings of a bank or trust
193 company for any dividend period, the following items may be included:

194 (1) All earnings actually received during the period, less interest accrued
195 and unpaid included in the last previous calculation of earnings;

196 (2) Interest accrued and unpaid upon debts owing to it secured by
197 collateral as authorized by this chapter upon which debts no default of more than

198 one year exists and upon corporate stocks, bonds or other interest-bearing
199 obligations owned by it upon which no default exists;

200 (3) The sums added to the cost of securities purchased for less than par
201 as a result of amortization, provided the market value of such securities is at least
202 equal to their present cost as determined by amortization;

203 (4) Any profits actually received during the period from the sale of
204 securities, real estate or other property owned by it;

205 (5) Sums recovered on items previously charged off, and any amounts
206 allowed by the director on account of assets previously disallowed and charged
207 off; provided, the director shall have approved, and only to the extent of his
208 approval, any increase in the book value of an office building owned by it, which
209 building or a portion thereof is used by it as a place of business.]

210

211 [362.305. 1. To determine the amount of net earnings for the dividend
212 period, the following items shall be deducted from gross earnings:

213 (1) All expenses paid or incurred, both ordinary and extraordinary, in the
214 transaction of its business, the collection of its debts and the management of its
215 affairs, properly belonging to the period under consideration for the calculation
216 of net earnings for dividend purposes, and not previously deducted for these
217 purposes;

218 (2) Interest paid, or accrued and unpaid, upon debts owing by it, and
219 properly belonging to the period under consideration for the calculation of net
220 earnings for dividend purposes, and not previously deducted for these purposes;

221 (3) The amounts deducted through amortization from the cost of
222 corporate stocks, bonds or other interest-bearing obligations purchased above par
223 in order to bring them to par at maturity;

224 (4) All losses sustained by it. In the computation of the losses all debts
225 owing it shall be included upon which no interest shall have been paid for more
226 than two years or on which a judgment has been recovered which shall have
227 remained unsatisfied for two years; provided, that the director, in either case, may
228 extend the time beyond the period of two years; and such other assets as shall
229 have been disallowed by the director or by its board of directors.

230 2. The balance thus obtained shall constitute the net earnings of such
231 bank or trust company for such period.]