

8-2-32 28

ENROLLED BILL

(EXTRAORDINARY SESSION)

Senate Bill No. 28

(By Mr. Reynolds of Mineral)

Passed July 28, 1932

In Effect from Passage

Comes under item 1 as broadened

Originating in the Senate Takes effect from Passage
M. J. Hodge Clerk of the House of Delegates.
W. H. H. Hodge Clerk.

CORRECTLY ENROLLED
Concepcion Chairman House Committee.
Jacob A. Smith Chairman Senate Committee.

ENROLLED BILL

(S. B. No. 28)

[Passed July 28, 1932; in effect from passage.]

AN ACT to amend and re-enact section nine of article four of chapter thirty-one of the code of West Virginia, relating to banking institutions, and providing for the hypothecation of securities and/or assets as security for deposits.

Be it enacted by the Legislature of West Virginia:

That section nine of article four of chapter thirty-one of the code of West Virginia be, and the same is hereby, amended and re-enacted so as to read as follows:

Section 9. No banking institution chartered and authorized to engage in business under the laws of this state, shall hereafter install or maintain any branch bank, or engage in business at any place other than at its principal office in the State of West Virginia; or engage in any business other than as authorized in this article. No banking institution shall become or be accepted as surety on any bond or undertaking

CORRECTLY ENROLLED

Jacob D. Smith
Chairman Senate Committee.

Amos W. Adams
Chairman House Committee.

8 required by the laws or by the courts of this State, or any other
9 state, or shall become surety or guarantor of any person for
10 the discharge of any duty in any position or the performance
11 of any contract or undertaking. No banking institution shall
12 pledge, hypothecate or deliver any of its assets of any de-
13 scription whatsoever to any person to indemnify him as surety
14 for such banking institution or as surety for any other person :
15 *Provided*, That a bank or trust company may pledge, hypothe-
16 cate, deliver or deposit securities to guarantee deposits of the
17 United States, State of West Virginia, a county, district, school
18 district or a municipal corporation, and, with the consent in
19 writing of the commissioner of banking, may pledge, hypothe-
20 cate, deliver or deposit securities and/or assets to guarantee
21 deposits made by receivers of closed and/or insolvent banking
22 institutions, and the receiver of a closed and/or insolvent bank-
23 ing institution, if the proceeding be not in court, with the con-
24 sent in writing of the commissioner of banking, and if the pro-
25 ceeding be in court, with the consent in writing of the com-
26 missioner of banking and the approval of the court, may ac-
27 cept securities and/or assets of a banking institution to secure
28 deposits made by such receiver: *Provided further*, That the

CORRECTLY ENROLLED

Joseph D. Smith
Chairman Senate Committee.

Samuel M. Lewis
Chairman House Committee.

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29 hypothecation of such securities and/or assets shall be by
30 proper legal transfer as collateral security to protect and in-
31 demnify by trust any and all loss in case of ^{any} default on the
32 part of the banking institution in its capacity as a depository
33 for any such deposits as aforesaid, and such collateral security
34 shall be released only by order of record of the public officer
35 or public body, or by the receiver of a closed and/or insolvent
36 banking institution, if the proceeding be not in court, with
37 the consent in writing of the commissioner of banking, and if
38 the proceeding be in court, with the consent in writing of the
39 commissioner of banking and the approval of the court, when
40 satisfied that full and faithful accounting and payment of all
41 the moneys has been made under the provisions hereof. The
42 public officer or public body, or the receiver of a closed and/or
43 insolvent banking institution, shall make ample provision for
44 the safekeeping of such hypothecated securities and/or assets,
45 and the interest thereon when paid shall be turned over to
46 the banking institution, so long as it is not in default as afore-
47 said.

48 The foregoing shall not prevent the hypothecation of the
49 securities and/or assets of any banking institution to secure

CORRECTLY ENROLLED



Chairman House Committee.



Chairman Senate Committee.

50 the repayment of money borrowed from another banking in-
51 stitution.

52 All acts and parts of acts inconsistent with this act are
53 hereby repealed.

CORRECTLY ENROLLED

Jacob D. Smith
Chairman Senate Committee.

Carroll M. Mason
Chairman House Committee.

J. Alfred Taylor
Speaker of the House of Delegates.

W. H. ...
Clerk of the House of Delegates.

W. H. ...
President of the Senate.

M. S. ...
Clerk of the Senate.

The within is *approved*
this *8th* day of *August*, 1932.

W. G. ...
Governor.

Filed in the office of the Secretary of State
of West Virginia AUG 8 1932
GEORGE W. SHARP,
Secretary of State.