

filed with him and \$10.00 to the county auditor when filed with him; provided that the name of any eligible person may also be placed upon the non-partisan primary election ballot as a candidate for chief justice or associate justice of the supreme court or judge of the district court upon petition in writing of electors filed within the same time and at the same place and upon payment of the same fee as is provided in cases of filing of affidavits by candidates as follows:

For chief justice or associate justice of the supreme court, upon petition of 500 electors residing within the state; for judge of the district court upon the petition of 250 electors residing within the judicial district. Such petition shall be in writing and signed by each of the electors joining therein and shall be by each of them acknowledged before an officer authorized by law to administer an oath. Upon the compliance with such requirement, such names shall be placed upon the non-partisan primary election ballot *if the party named in the petition is not a candidate for any other office at the same primary election*. No petition shall contain more than double the number of signatures herein required and no officer shall receive for filing or file any petition containing more than double the number of signatures so required. Any person whose name is presented and filed may withdraw the same by filing an affidavit of withdrawal thereof in the same office in which such petition is filed. Each candidate for state offices, congressmen, and judges of the supreme court shall pay to the secretary of state the sum of \$50.00 each at the time of filing his affidavit with said officer. No such candidate shall be permitted to withdraw his name from the ballot unless he shall file an affidavit with the secretary of state or with the county auditor, as the case may be, requesting such officer to withdraw affiant's name from the ballot within eight days after the last day for filing for such office."

Approved March 23, 1945.

CHAPTER 128—H. F. No. 292

An act relating to the liquidation of financial institutions; defining terms for the purposes of the act; prescribing the procedure for liquidations and the powers and duties of the commissioner of banks with reference thereto; providing for assessments on capital stock of banks and trust companies

prior to and while in liquidation; providing for the disposition of unclaimed dividends and other assets; creating the commissioner of banks' liquidation fund, providing for the operation thereof, and appropriating the receipts thereof; amending Minnesota Statutes 1941, Sections 49.01, 49.02, 49.04 to 49.08, inclusive, 49.10 to 49.12, inclusive, 49.16, 49.165, 49.24, except Subdivision 11, as amended by Laws 1943, Chapter 442, Section 2, 49.30, and 49.32; and repealing Minnesota Statutes 1941, Sections 49.03, 49.13 to 49.15, inclusive, 49.21 to 49.23, inclusive, Subdivision 11 of Section 49.24, and Sections 49.25 to 49.29, inclusive, and Laws 1941, Chapter 92.

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

Section 1. Minnesota Statutes 1941, Section 49.01, is amended to read as follows:

49.01. Definitions. *Subdivision 1. For the purposes of sections 49.01 to 49.32, inclusive, the following words, terms, and phrases shall be given the meanings subjoined to them.*

Subd. 2. "Financial institution" means and includes a bank, a savings bank, a trust company, a savings, building and loan association, a credit union, an industrial loan and thrift company, and an investment company.

Subd. 3. "Investment company" means any person, co-partnership, association, or corporation referred to in Minnesota Statutes 1941, Sections 54.26 to 54.29, inclusive, as amended.

Subd. 4. "Commissioner" means the commissioner of banks.

Subd. 5. "The district court", unless otherwise specifically stated, means the district court of the county in which the financial institution being liquidated had its principal place of business prior to the time the commissioner took possession of its business and assets.

Subd. 6. "Liquidation division" means the liquidation division of the banking division, department of commerce, consisting of the commissioner of banks, his deputy, any examiner in charge of liquidation, deputy examiners, attorneys, and other employees engaged in carrying out the provisions of sections 49.01 to 49.32, inclusive, and performing functions incidental thereto.

Subd. 7. Insolvent financial institutions; no assignment by. No financial institution shall make an assignment by reason of existing or probable insolvency. Its governing board

or managing officers, if satisfied that it is, or is about to become, insolvent, shall immediately report that fact to the commissioner.

Sec. 2. Minnesota Statutes 1941, Section 49.02, is amended to read as follows:

49.02. Assessments on stock; stock unpaid or capital impaired. *Subdivision 1. Grounds for assessment.* Every bank or trust company which shall have failed to pay up its capital stock as required by law, or the capital of which shall have become impaired, within 90 days after receiving notice thereof from the commissioner, shall make up the deficiency by a pro rata assessment on the capital stock, to be made by the stockholders at a meeting called for that purpose, and, in case of its refusal to do so, the commissioner may proceed forthwith to take possession of its property and business and liquidate it as hereinafter provided; but, with his consent and approval it may reduce its paid-up capital stock, as provided by law, pay in any remaining deficiency, and thereupon continue business upon the reduced capital.

Sec. 3. Minnesota Statutes 1941, Section 49.165, is amended to read as follows:

49.02. Subdivision 2. Procedure. The directors of any bank or trust company receiving notice from the commissioner to make good an impairment of capital shall fix the time when the assessment made at the stockholders' meeting shall become due and payable, which time shall be not less than 15, nor more than 30, days after the assessment is levied. Notice of this assessment shall be mailed to each stockholder at his office address as shown by the stockbooks of the bank or trust company.

If any stockholder shall fail to pay in cash the amount of the assessment against his stock for a period of 30 days after the same shall become due and payable, the directors of the bank or trust company shall sell the same at public sale upon ten days' notice, to be given by posting copies of the notice of sale in three public places in the city, town, or community where the bank or trust company is located, or at a private sale, after giving the stockholder ten days' written notice by registered mail addressed to his post-office address as shown by the stock books of the bank or trust company.

Upon sale of any stock, as herein provided, the purchaser shall forthwith become liable for, and shall pay in cash, the amount of the assessment thereon.

Sec. 4. Minnesota Statutes 1941, Section 49.16 is amended to read as follows:

49.02. Subd. 3. Sale of stock. This stock shall not be sold for less than the amount due thereon and the expense of sale, and any excess shall be paid to the delinquent stockholder. If no bidder offers the amount due and expenses of sale, the amount previously paid on the stock shall be forfeited, and the stock sold by order of the directors within six months thereafter, or canceled and deducted from the capital of the corporation; and when, by reason of this cancellation and reduction, the capital is reduced below the minimum required by law, the deficiency shall be paid in within 30 days, or *the commissioner shall take possession of the property and business of said bank or trust company and may proceed to liquidate it as hereinafter provided.*

Sec. 5. Minnesota Statutes 1941, Sections 49.04, 49.10, 49.11, and 49.12 are amended to read as follows:

49.04. Involuntary liquidation of financial institutions. Subdivision 1. Commissioner taking possession; grounds for; rights of third parties. When it shall appear to the commissioner that any *financial institution* has violated its charter, or any law of the state, or is conducting its business in an unsafe or unauthorized manner, or that *its* capital is impaired, or if *it* or *any of its* controlling officers shall refuse to submit its books, papers, and concerns to the inspection of the commissioner, or any assistant by him thereunto duly authorized, or if *any of its* officers shall refuse to be examined upon oath touching *its* concerns, or if *it* shall suspend payment of its obligations, or furnish reason for the commissioner concluding that *it* is in an unsound or unsafe condition to transact the business for which it was organized, or that it is unsafe and inexpedient for it to continue business, or if *it* shall neglect or refuse to observe a proper order of the commissioner, he may forthwith take possession of *its* property and business and retain this possession until *it* shall resume business or its affairs be finally liquidated, as herein provided. On taking possession of the property and business of any such *financial institution*, the commissioner shall forthwith give notice of that fact to any and all *financial institutions or other corporations*, associations, *partnerships*, and individuals holding, or in possession of, and of *its* assets. No *financial institution or other corporation*, association, *partnership*, or *individual* knowing of such taking possession by the commissioner, or notified, as aforesaid, shall have a lien or charge for any payment, advance, or clearance thereafter made, or liability thereafter incurred against any of the assets of the *financial*

institution of whose property and business the commissioner shall have taken possession, as aforesaid. The *financial institution* may, with the consent of the commissioner, resume business upon such conditions as may be approved by him. Upon taking possession of the property and business of the *financial institution*, the commissioner is authorized to collect moneys due to it and to do such other acts as are necessary to conserve its assets and business, and shall proceed to liquidate the affairs thereof, if in his opinion it cannot safely resume business, as hereinafter provided.

Subd. 2. Application to enjoin liquidation. *Whenever any such financial institution of whose property and business the commissioner has taken possession as aforesaid deems itself aggrieved thereby it may at any time within ten days after such taking possession apply to the district court to enjoin further proceedings, and said court, after citing the commissioner to show cause why further proceedings should not be enjoined, and hearing the allegations and proofs of the parties in determining the facts, may upon the merits dismiss such application or enjoin the commissioner from further proceedings and direct him to surrender such business and property to such financial institution.*

Subd. 3. Actions stayed. When the commissioner shall take possession of the business and property of any *financial institution*, any action at law pending against it shall be stayed, upon motion to the court in which such action is pending setting forth said fact, so long as such possession continues, unless otherwise ordered by the court, pursuant to the provisions of subdivision 5.

Subd. 4. Garnishments, attachments, levies vacated. All garnishments, attachments, and levies in any action against the *financial institution* shall likewise be set aside and vacated upon motion.

Subd. 5. Judgments vacated. Any judgment for money only entered against such *financial institution* within 30 days preceding the date when the commissioner takes possession shall be vacated and set aside upon motion, and the judgment creditor shall be entitled to file his claim with the commissioner; all other judgments entered within that period of 30 days shall be vacated upon the application of the commissioner to the court wherein such judgment is entered, when it appears to the court that the judgment is detrimental to the interest of the creditors of the *financial institution*.

Subd. 6. Subsequent levies and attachments unlawful. It shall be unlawful for any officer or other person to levy

upon, seize, or attach any of the assets of *any financial institution* to the possession of which the commissioner is entitled, after he has taken possession, and so long as this possession continues.

Sec. 6. Minnesota Statutes 1941, Section 49.05, is amended to read as follows:

49.05. Powers and duties of commissioner on liquidation. *Subdivision 1. General powers.* In all cases where the commissioner has taken possession of the property and business of any *financial institution*, or any such *financial institution* is in the process of liquidation by him, *he* may, in the name of such *financial institution* or in his own name as commissioner, for *its* use, bring and carry to an end all necessary actions in the proper courts to reduce *its* assets to money and to protect *its* property and rights, and to that end may, in *its* name or in his own name as commissioner, execute all bonds and other papers necessary to carry on any such actions, and may, in *its* name, satisfy, discharge, and assign, by written instrument, any and all real estate and chattel mortgages and all other liens held by *it*, and may foreclose in the manner provided by law any real estate mortgage held by *it*, and execute, in *its* name, to the attorney employed to foreclose any such mortgage, *any* power of attorney required by law.

Subd. 2. Certificates prior to foreclosure sales. Prior to any sale under *any* foreclosure proceedings, the commissioner shall file for record in the office of the register of deeds of the county where any land affected by any such foreclosure sale is situated, a certificate under his hand, as such commissioner, stating therein the corporate name of the *financial institution* affected; its principal place of business; that, as commissioner, he has taken possession of *its* property and business under the laws of the state, and the date of taking possession thereof; *and* that *it* is in process of liquidation by him, pursuant to the laws of this state, if such be the fact. A like certificate shall be filed for record by the commissioner in the office where any such mortgage or lien is recorded. This certificate, or a duly certified copy thereof, shall be prima facie evidence of the facts therein set forth. Only one such certificate need be filed as hereinbefore provided in this section, for each *financial institution* in liquidation. All foreclosure proceedings heretofore conducted, whether the certificate was filed for record as to each such foreclosure or not, are hereby validated if one such certificate has been filed as to each *financial institution* in liquidation, *or if the commissioner shall after any foreclosure sale file a certificate reciting the*

facts required to be set out in an original certificate, as they existed prior to the foreclosure sale.

Subd. 3. Certificates prior to judgments and final orders. A like certificate shall be filed by the commissioner in the office of the clerk of the district court in any county where any action or proceeding affecting any such *financial institution* or its property shall be brought, in the name of such *financial institution*, or in the name of the commissioner for its use, prior to the entry of judgment or the *making* of any final order *therein*, and this certificate, or a duly certified copy thereof, shall be prima facie evidence of the facts therein set forth.

Subd. 4. Certificates after judgments and final orders validated. Where the commissioner has heretofore taken possession of the property and business of any *financial institution*, or any *financial institution has been liquidated*, or the same is in process of liquidation by *him*, and actions or *proceedings* have been heretofore brought in the name of any such *financial institution*, or in the name of the commissioner for its use, in any court of the state, all such actions, and all orders and judgments that have heretofore been, or may hereafter be, *made or entered* therein, are hereby in all things validated, on the filing of a certificate *reciting the facts required to be set out as provided for in subdivision 3 of this section*, in the court wherein any such action or proceeding is or has been pending.

Sec. 7. Minnesota Statutes 1941, Section 49.06, is amended to read as follows:

49.06. Consolidation during liquidation. Any such *financial institution* in course of liquidation may, with the consent of the commissioner, consolidate with any other like *financial institution*, upon such terms as may be authorized by their respective boards of directors, with the consent of a majority of the stockholders, and may transfer to such *financial institution* its entire assets, subject to its existing liabilities.

Sec. 8. Minnesota Statutes 1941, Sections 49.07, 49.08, and 49.09, are amended to read as follows:

49.07. Reorganization during liquidation. Subdivision 1. Plan. When the commissioner, with a view to restoring the solvency of any bank or *trust company* of which he has taken charge pursuant to law, shall approve a reorganization plan entered into between the depositors and unsecured creditors of such bank or *trust company* and the bank or *trust company* or reorganizers thereof which represent 90 per cent of the

amount of deposits and unsecured claims of *the bank or trust company*, then and in such case all other depositors and unsecured creditors shall be held to be subject to this agreement to the same extent and with the same effect as if they had joined in the execution thereof, and their claims shall be treated in all respects as if they had joined in the execution of the articles or reorganization plan in the event of restoration of the *bank or trust company* to solvency, and the reopening of the same for business.

Subd. 2. Deposits subject to plan. All deposits made in any state bank or *trust company* subsequent to the passage of Laws 1925, Chapter 38, shall be subject to the provisions of *this section*.

Subd. 3. Public deposits exempted from plan. Deposits of the state, counties, cities, villages, towns and school districts are exempt from the operation of *this section*.

Sec. 9. Minnesota Statutes 1941, Section 49.24, as amended by Laws 1943, Chapter 442, Section 2, is amended to read as follows:

49.24. **Procedure in liquidation.** Subdivision 1. **Inventory.** Upon taking possession of the property and assets of any *financial institution* the commissioner shall make an inventory of the assets of such *financial institution*, in duplicate, one to be filed in the office of the commissioner and one in the office of the clerk of the district court, and *thereupon the district court shall assume jurisdiction for the purpose of taking such action as is provided for in sections 49.24 to 49.32, inclusive.*

Subd. 2. **Collection of debts; enforcement stockholders' liability; compromise of debts and sale of property.** The commissioner shall collect all debts due and all claims belonging to such *financial institution* and may, if necessary to pay its debts, enforce the individual liability of the stockholders. *Whenever he is of the opinion that a debt due such financial institution is bad or doubtful he may present a verified petition to a judge of the district court setting forth the facts; and the judge, if satisfied that it is for the best interests of the creditors, may hear such petition, without notice, and make an order granting such petition and authorizing the petitioner to sell, compound, or compromise such debt. Personal property or real estate may be sold on like petition, approval, and order; provided that, if a petition for the sale of real estate is presented, the judge may require that notice to the creditors of a hearing thereon be given by publication in such manner as he may order. The commissioner may compromise bad or*

doubtful debts and sell personal property having a book value, as shown by the commissioner's inventory, of not to exceed \$200 without such order.

Subd. 3. **Attorneys.** Upon the request of the commissioner in writing the attorney general shall employ a special attorney to act as counsel in all matters relating to the liquidation of each *financial institution*, which appointment shall be made according to the provisions of the statutes regulating the employment by the attorney general of special attorneys for state boards and officers, and the payment of such attorney shall be made in the manner provided in subdivision 7 hereof for the payment of compensation and expenses in liquidation of *financial institutions*.

Subd. 4. **Notice to file claims.** The commissioner shall cause notice to be given by advertisement in a legal newspaper in the city or village where such *financial institution had its principal place of business prior to liquidation*, or, if none in such city or village, then in the county, weekly for five (5) consecutive weeks, calling on all persons who may have claims against such *financial institution* to present the same to the commissioner, and make legal proof thereof at a place and within a time not earlier than one week after the last day of publication, which time and place shall be specified in said notice. The commissioner shall mail a similar notice to all persons whose names appear as creditors upon the books of the *financial institution*.

Subd. 5. **Rejection of claims; actions; limitations.** If the commissioner doubts the justice or validity of any claim, he may reject the same *in whole or in part* and serve notice of such rejection upon the claimant, either by mail or personally. An affidavit of the service of such notice made according to law shall be filed with the commissioner. An action upon a claim so rejected must be brought within sixty days after such service and the filing of proof thereof. The venue of such action shall be in the county in which such *financial institution had its principal place of business prior to liquidation*, and such action shall be brought jointly against the *financial institution* and the commissioner as statutory liquidator thereof. Any person having a claim against such *financial institution which is not presented and filed within the time fixed in the notice to creditors may thereafter present the same and the commissioner shall allow or reject the same in whole or in part and give notice of any rejection*, as hereinbefore provided. Suit on *any such claim not filed within the time fixed by the notice which is rejected must be brought within thirty days after the service and filing of proof of*

such rejection. Any claim not filed within the time fixed in the notice to creditors but *later* received and filed as by this section provided and duly allowed, shall participate and share in such dividends only as shall be paid from the proceeds of those assets remaining undistributed at the time of filing of such claim, and any claim not filed prior to the declaration of a final dividend shall be barred. No action shall be commenced against any such financial institution after possession of the business and property thereof has been taken by the commissioner on any claim until such claim has been filed with and rejected, in whole or in part, by him. As to any action pending at the time the commissioner takes possession of the business and property of such financial institution which has been stayed by order of the court, a claim may be filed for the subject matter of said action. If the claim be allowed, the action shall terminate and be dismissed without costs and disbursements, but, if rejected in whole or in part, the stay order shall be vacated, and the action may continue. No interest shall be allowed or paid on any deposit or other claim from and after the closing of the *financial institution* and the taking over of the same by the commissioner for purposes of liquidation.

Subd. 6. Filing list of claims. Upon the expiration of the time fixed for the presentation of claims, the commissioner shall make in duplicate a complete list of the claims presented, including and specifying such claims as have been rejected by him, one such list to be filed in his office and one in the office of the clerk of the district court. The inventory and list of claims shall be open at all reasonable times to inspection.

Subd. 7. Payment expenses of supervision and liquidation. All expenses of supervision and liquidation and the compensation of legal counsel as fixed by the attorney general, shall be paid upon the certificate of the commissioner out of the commissioner of banks' *liquidation fund created by this section*. The commissioner shall determine monthly the amount of compensation paid to each employee for services in connection with the liquidation of each *financial institution* and of all other expenses in connection therewith and thereupon shall pay to the state treasurer from the assets of each such *financial institution* the amount so determined, if such assets be sufficient to pay the amount of such compensation and expenses, which shall be deposited in such commissioner of banks' *liquidation fund*.

Subd. 8. Deposit of moneys collected on liquidation. The money collected by the commissioner shall be from time to time deposited in one or more state banks or trust companies,

and, in case of a suspension or insolvency of the depository, such deposit shall be preferred before all of the deposits.

Subd. 9. Dividends on claims. At any time after the expiration of *the* date fixed for the presentation of claims the commissioner may, out of the funds remaining on hand after the payment of expenses, declare one or more dividends, and after the expiration of one year from the first publication of notice to creditors he may declare a final dividend, such dividends to be paid to such persons in such amounts as may be directed by the district court.

If any dividend on any claim shall be less than \$1.00, the commissioner may, in his discretion, hold that dividend until it with subsequent dividends amounts to the sum of \$1.00 or more. He shall pay all dividends so withheld with the final dividend.

Subd. 10. Objections to claims. Objections to any claim not rejected by the commissioner may be made by any party interested by filing a copy of such objections with the commissioner, who shall present the same to the district court at the time of the next application to declare a dividend.

Subd. 12. Completion of liquidation after full payment of claims. Whenever the commissioner shall have paid each and every depositor and *other* creditor of *any financial institution in liquidation* (not including stockholders) whose claim or claims as such creditor or depositor shall have been duly approved and allowed, *and who can be located by the commissioner for the purpose of making payment*, the full amount of such *claim or claims as allowed*, and shall have made proper provisions for *any dividends or other moneys set apart for the payment of claims remaining unpaid*, and shall have paid all the expenses of the liquidation, *he* shall call a meeting of the stockholders of such *financial institution* by giving notice thereof for ten days by publishing such notice in one or more newspapers of the county where *it had its principal place of business prior to liquidation*. At such meeting the stockholders shall determine whether the commissioner shall be continued as liquidator and shall wind up the affairs of such *financial institution*, or whether an agent or agents shall be elected for that purpose, and in so determining the said stockholders shall vote by ballot, in person or by proxy, each share of stock entitling the holder to one vote, and the majority of the stock shall be necessary to a determination. In case it is determined to continue the liquidation under the commissioner he shall complete the liquidation of the affairs of such *financial institution*, and after paying the expenses thereof, if there are

proceeds of liquidation as yet undistributed he shall reimburse *any* stockholders who *have* paid stock assessments pursuant to *any* order for assessment to the extent that each has paid, and if the proceeds are insufficient to reimburse such paying stockholders in full, then in just proportion. Any proceeds remaining undistributed after such paying stockholders have been reimbursed as by this *subdivision* provided shall be distributed among all the stockholders in proportion to their several holdings of stock in such manner and upon such notice as may be directed by the district court. In case it is determined to appoint an agent or agents to liquidate, the stockholders shall thereupon select such agent or agents by ballot, a majority of the stock present and voting, in person or by proxy, being necessary to a choice. Such agent or agents shall execute and file with the commissioner a bond to the State of Minnesota, in such amount, with such sureties, and in such form as shall be approved by the commissioner, conditioned for the faithful performance of all the duties of his or their trust, and thereupon the commissioner shall transfer and deliver to such agent or agents all the undivided or uncollected or other assets of such corporation then remaining in his hands, and upon such transfer and delivery the said commissioner shall be discharged from any and all further liability to such *financial institution* and its creditors. Such agent or agents shall convert the assets coming into his or their possession into cash and shall account for and make distribution of the property of such *financial institution* as is herein provided in the case of distribution by the commissioner, except that the expenses thereof shall be subject to the direction and control of the district court. In case of the death, removal or refusal to act of any such agent or agents, the stockholders, on the same notice as that after which they were elected, and in the same way may elect a successor who shall have the same powers and be subject to the same liabilities and duties as the agent originally elected.

Subd. 13. Disposition of unclaimed dividends. Upon the liquidation of any financial institution liquidated by the commissioner as statutory liquidator, if any dividends or *other* moneys set apart for the payment of claims remain unpaid, and the places of residence of the owners thereof are unknown to the commissioner, he may pay same into the state treasury as hereinafter provided. Whenever the commissioner shall be satisfied that the process of liquidation should not be further continued he may make and certify triplicate lists of any such unclaimed dividends or other moneys, specifying the name of each owner, the amount due him and his last known address. Upon one of such lists, to be retained by the commissioner he

shall endorse his order that such unclaimed moneys be forthwith deposited in the state treasury. When so deposited, one of said lists shall be delivered to the state treasurer and another to the state auditor and the commissioner shall retain in his office such records and proofs concerning said claims as he may have, which shall thereafter remain on file in his office. The treasurer shall execute upon the list retained by the commissioner a receipt for such money, which shall operate as a full discharge of the commissioner on account of such claims. At any time within six years after such receipt, but not afterward, the claimant may apply to the commissioner for the amount so deposited for his benefit, and upon proof satisfactory to the governor, the attorney general and the commissioner, or to a majority of them, they shall give an order to the auditor to issue his warrant upon the treasurer for such amount, and such warrant shall thereupon be issued. If no such claim be presented within six years the commissioner shall so note upon his copy of said list and certify the fact to the auditor and treasurer who shall make like entries upon the corresponding lists in their hands; and all further claims to said money shall be barred. Provided, however, that the state treasurer shall *transfer* to the commissioner of banks' *liquidation fund created by this section* not to exceed 50 per cent of the amount so turned over to *him* by the commissioner, to be used to partially defray expenses in connection with the liquidation of closed banks and the *conduct of the liquidation division*, in such amounts and at such times as the commissioner shall request.

Subd. 14. Destruction of books and records. At any time after ten years from the date of payment of the final dividend in liquidation of any financial institution the commissioner may destroy all books and records of such financial institution which came into his care and custody at the time he took possession of the assets thereof, unless he has been requested by some interested party to preserve any such books or records for any purpose for any period beyond such ten years.

Subd. 15. Liquidation fund created. There is hereby created the commissioner of banks' liquidation fund, for the purpose of paying the expenses of liquidating financial institutions and of conducting the liquidation division. Such fund shall consist of the moneys transferred to it as herein provided, which are appropriated to the commissioner for the purposes of this section. Such funds shall be kept in the state treasury and shall be paid out upon authorization of the commissioner in the manner prescribed by law for moneys therein.

Subd. 16. Transfers to liquidation fund. The following moneys shall be transferred to and deposited in the commissioner of banks' liquidation fund:

(1) *All moneys paid to the state treasurer by the commissioner out of funds of any financial institution in his hands as reimbursement for services and expenses pursuant to the provisions of subdivision 7 of this section.*

(2) *All moneys in the possession of the commissioner set aside for the purpose of meeting unforeseen and contingent expenses incident to the liquidation of closed financial institutions, which funds have been or shall be hereafter established by withholding portions of final liquidating dividends in such cases.*

(3) *All moneys which the commissioner shall request the state treasurer to transfer to such fund pursuant to the provisions of subdivision 13 of this section.*

(4) *All moneys in the possession of the commissioner now carried on his books in "stamp account", "suspense account", and "unclaimed deposit account".*

(5) *All moneys in the possession of the commissioner which he may be authorized by order of any district court having jurisdiction of any liquidation proceedings to transfer to such fund, or to use for any of the purposes for which the fund is established.*

(6) *All moneys in the possession of the commissioner carried on his books in the "unclaimed bonds account". At any time within one year after the effective date of this act or within six years after any bond the proceeds of the sale of which constitute a portion of the moneys in this paragraph referred to came into the possession of the commissioner as liquidator of any financial institution, whichever is later, any claimant thereto may apply to the commissioner for the proceeds of the sale of such bond, and, upon proof satisfactory to the governor, the attorney general, and the commissioner, or a majority of them, they shall give an order to the state auditor to issue his warrant upon the treasurer for such amount, without interest, and such warrant shall thereupon be issued and the amount thereof paid out of the commissioner of banks' liquidation fund. If no such claim be presented within such period, all further claims to the proceeds of any such bond shall be barred.*

(7) *All sums which the commissioner may receive from the sale of personal property of liquidated financial institutions where the final dividend has been paid and no disposition*

of said property made by any order of the court, and the proceeds of sales of any personal property used by the liquidation division which have been purchased with funds of financial institutions in liquidation.

Subd. 17. Disbursements from liquidation fund. The commissioner of banks' liquidation fund shall be used for the purpose of paying compensation and expenses as provided in subdivision 7 of this section, for the payment of salaries of employees, regular and special, the compensation of legal counsel, and all other expenses incurred by the commissioner in connection with the administration of the liquidation division.

Sec. 10. Minnesota Statutes 1941, Section 49.30 is amended to read as follows:

49.30. Committee to complete liquidation. At any time after a period of three years shall have elapsed, after the commissioner shall have taken possession of the business and property of a *financial institution*, a majority of the creditors in number and amount may petition the court for the appointment of a committee of three competent persons, residents of the county, named by them, the court may make such appointment, and any officer or member of the board of directors of the *financial institution* may be appointed as members of said committee, if residents of the county. All rights and duties of the commissioner shall then devolve upon the committee.

Sec. 11. Minnesota Statutes 1941, Section 49.32, is amended to read as follows:

49.32. Discharge of commissioner as statutory liquidator. Upon this order of the court, the commissioner shall be discharged as statutory liquidator of the *financial institution* and released from any further liability thereunder.

Sec. 12. Voluntary liquidations. Subdivision 1. **Resolution for.** By a resolution duly adopted by the holders of 75 per cent of its stock, a bank, a trust company, one acting in the capacity of both a bank and trust company, a savings bank, an industrial loan and thrift company, or an investment company may go into voluntary liquidation upon filing a certified copy of such resolution with the commissioner and obtaining his written consent to such voluntary liquidation.

Subd. 2. Notice to creditors. After the filing of such certified copy of such resolution and obtaining the written consent of the commissioner, it shall give eight weeks' published notice, in a qualified newspaper in the county of the

principal place of business of such financial institution, to creditors to present their claims, file a copy thereof with the commissioner within one week after the first publication thereof, and file with him proof of the publication within ten days after the completion thereof.

Subd. 3. Certificate of liquidation. Upon compliance with the foregoing and upon filing with the commissioner an affidavit of the president and cashier of said financial institution that the provisions of subdivision 4 of this section have been complied with and that all depositors and other creditors have been paid in full, or, if any dividends or any moneys set apart for the payment of claims remain unpaid and the places of residence of the depositors or other creditors are unknown to the persons making the affidavit, that sufficient funds have been turned over to the commissioner for payment into the state treasury to pay said depositors and other creditors, in the manner provided by subdivision 5, the commissioner shall issue his certificate of liquidation, and, upon the filing for record of said certificate of liquidation in the office of the secretary of state and in the office of the register of deeds of the county of the principal place of business of such financial institution immediately prior to its voluntary liquidation, the liquidation of said financial institution shall be complete, and its corporate existence shall thereupon terminate.

Subd. 4. Omitted assets; trustee. If any assets have been omitted from the liquidation, before the commissioner shall file his certificate of liquidation the financial institution being liquidated shall petition the district court for the appointment of a trustee and shall transfer the title to all assets so omitted from its liquidation to the trustee, except unpaid dividends or any moneys set apart for the payment of claims remaining unpaid, and turn over to the commissioner of banks for payment into the state treasury, as provided for in subdivision 5, for the benefit of the persons entitled thereto. Such assets shall thereafter be administered and distributed by the trustee subject to the approval of the district court.

Subd. 5. Disposition of unclaimed dividends. If any dividends or any moneys set apart for the payment of claims remain unpaid and the places of residence of the owners thereof are unknown to the officers of the financial institution being liquidated, they may pay the same over to the commissioner for payment into the state treasury, furnishing him certified triplicate lists of any such unclaimed dividends or other moneys, specifying the name of each owner, the amount due him, and his last known address. Thereafter the commissioner shall deposit said unpaid dividends or other moneys in the

state treasury in the manner provided for in subdivision 13 of section 49.24 with reference to unclaimed dividends and other moneys in his hands as a result of involuntary liquidations and the provisions of said subdivision 13 which apply to such unclaimed dividends and other moneys.

Sec. 13. Repeal. Minnesota Statutes 1941, Sections 49.03, 49.13 to 49.15, inclusive, 49.21 to 49.23, inclusive, Subdivision 11 of Section 49.24, and Sections 49.25 to 49.29, inclusive, and Laws 1941, Chapter 92, are hereby repealed.

Approved March 23, 1945.

CHAPTER 129—H. F. No. 348

An act empowering the State Teachers College Board to provide, in connection with the operation of State Teachers Colleges, in-service education for teachers.

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

Section 1. In-service education. As used in this act, the term "in-service education" means all types of education designed to improve the qualifications of teachers at the time that they are employed in teaching and during their summer vacations. The expression is used in contrast with "pre-service education" designed for the education of prospective teachers.

Sec. 2. Provision for. The State Teachers College Board is granted authority to provide in-service education for teachers in rural, village, or city schools "until July 1, 1947."

Sec. 3. Credits. Credits earned by the students in such in-service education may be recognized and evaluated in terms of the curriculum in which the student is enrolled.

Sec. 4. Tuition. The State Teachers College Board may fix tuition for such instruction.

Approved March 23, 1945.