

no longer qualified to own shares in such corporation, then the price for such shares shall be the fair market value as determined by the board of directors but not less than the book value as of the end of the month immediately preceding the death or disqualification of the shareholder. Book value shall be determined from the books and records of such corporation in accordance with the regular method of accounting used by such corporation.

Sec. 13. [319.38] **Annual report.** A professional corporation organized and operating under the provisions of this act shall, annually on or before March 31, file in the office of the secretary of state a report showing the names and residence addresses of all its shareholders or members, directors, and officers which shall certify that all such persons are attorneys at law duly admitted to practice before the supreme court of the state of Minnesota. This report shall be made on forms prescribed and furnished by the secretary of state, but shall contain no fiscal or other information except that expressly called for by this section. It shall be signed by the president or vice-president and the secretary or an assistant secretary of the corporation and acknowledged before a notary public by the person signing the report.

Sec. 14. [319.39] **Fees.** For filing each such report, a professional corporation shall pay to the state treasurer a fee of \$10.

Sec. 15. [319.40] **Severability.** If any provision of sections 1 to 16 of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or application of said sections which can be given effect without the invalid provision or application, and to this end the provisions of said sections are severable.

Sec. 16. [319.41] **Savings clause.** Nothing contained herein is intended to alter the right of natural persons licensed to provide professional service, to organize as a partnership, an unincorporated association, a business trust, or any other form recognized under laws of this state.

Approved April 1, 1963.

CHAPTER 140—H. F. No. 415

[Coded]

An act authorizing certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

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

Changes or additions indicated by italics, deletions by ~~strikeout~~.

Section 1. **[48.89] Banks and banking; clerical service corporation.** Subdivision 1. For the purposes of this section the following terms defined in this subdivision have the meanings given them:

(a) The term commissioner means the commissioner of banks.

(b) The term clerical services means services such as check and deposit, sorting and posting, computation and posting of interest and other credits and charges, preparation and mailing of checks, statements, notices, and similar items, or any other clerical, book-keeping, accounting, statistical, or similar functions performed for a bank.

(c) The term clerical service corporation means a corporation organized as a business corporation to perform clerical services for two or more banks, each of which owns part of the capital stock of such corporation.

(d) The term invest includes any advance of funds to a clerical service corporation, whether by the purchase of stock, the making of a loan, or otherwise, except a payment for rent earned, goods sold and delivered, or services rendered prior to the making of such payment.

(e) The term banks is defined as prescribed in Minnesota Statutes 1961, Section 45.08.

Subd. 2 (a) No limitation or prohibition otherwise imposed by any provision of state law exclusively relating to banks shall prevent any two or more banks from investing not more than ten percent of the paid-in and unimpaired capital and unimpaired surplus of each of them in a clerical service corporation if in stock of such a corporation and 15 percent of unimpaired capital and unimpaired surplus if in the making of a loan or extending credit to such a corporation. In no event shall the aggregate of the investments in stock and loans exceed 15 percent of the unimpaired capital and unimpaired surplus of the investing bank.

(b) If stock in a clerical service corporation has been held by two banks, and one of such banks ceases to utilize the services of the corporation and ceases to hold stock in it, and leaves the other as the sole stockholding bank, the corporation may nevertheless continue to function as such and the other bank may continue to hold stock in it.

Subd. 3. Whenever a bank, referred to in this section as an "applying bank," applies for a type of clerical services for itself

Changes or additions indicated by *italics*, deletions by ~~strikeout~~.

from a clerical service corporation which supplies the same type of clerical services to another bank, and the applying bank is competitive with any bank, referred to in this section as a "stockholding bank," which holds stock in such corporation, the corporation must offer to supply such services by either:

- (1) Issuing stock to the applying bank and furnishing clerical services to it on the same basis as to the other banks holding stock in the corporation; or
- (2) Furnishing clerical services to the applying bank at rates no higher than necessary to fairly reflect the cost of such services, including the reasonable cost of the capital provided to the corporation by its stockholders,

at the corporation's option, unless comparable services at competitive overall cost are available to the applying bank from another source, or unless the furnishing of the services sought by the applying bank would be beyond the practical capacity of the corporation. In any action or proceeding to enforce the duty imposed by this section, or for damages for the breach thereof, the burden shall be upon the clerical service corporation to show such availability.

Subd. 4. No clerical service corporation may engage in any activity other than the performance of clerical services for banks.

Subd. 5. No bank may cause to be performed, by contract or otherwise, any clerical services for itself from a clerical service corporation, whether on or off its premises, unless assurances satisfactory to the commissioner are furnished to the commissioner by both the bank and the party performing such services that the performance thereof will be subject to regulation and examination by the commissioner to the same extent as if such services were being performed by the bank itself on its own premises.

Subd. 6. A clerical service corporation shall not be considered a branch of any bank owning shares in such corporation.

Approved April 1, 1963.

CHAPTER 141—H. F. No. 531

An act relating to the state agricultural society; amending Minnesota statutes 1961, Section 37.04.

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

Changes or additions indicated by italics, deletions by strikeout.