

## CHAPTER 47

## BANKING DIVISION; FINANCIAL CORPORATIONS

**47.01 DEFINITIONS.**

**HISTORY.** R. L. 1905 s. 2967; G.S. 1913 s. 6325; G.S. 1923 s. 7635; M.S. 1927 s. 7635.

Trust company defined. *Jones v First Minneapolis*, 202 M 192, 277 NW 899.

Statutes applicable to trust companies. *State ex rel v Crookston Trust*, 203 M 512, 282 NW 138.

**GENERAL.** The definitions found in this section are not rigid for it is obvious that the powers of banks, mercantile and manufacturing corporations, and trust companies do overlap or are the same as to many details of their business. *State ex rel v Crookston T. Co.*, 203 M 512, 282 NW 138.

Subd. 2. A state bank has only such powers as are expressly conferred by statute or are incidental to the business of banking. 1930 OAG 7.

Banks must be incorporated. No individual or firm can embark in the banking business in Minnesota even though they submit their business to examination by the commissioner of banks. 1912 OAG 21.

A more detailed definition of "banks" is found in *Farmers & Mech. Bank v Baldwin*, 23 M 198.

Subd. 4. While trust companies and banks occupy fields which are in the main distinct from each other, the boundaries between the two cannot be defined with certainty. 1918 OAG 29.

A trust company maintaining a savings department does not come within the definition of a bank. Therefore the incorporators of a proposed trust and savings bank which intends to maintain a savings department need not comply with chapter 46. 1920 OAG 26.

Trust companies are not exempt as banks under Laws 1933, Chapter 405. 1934 OAG 807, June 20, 1934 (531d).

Subd. 5. Further definition of a building and loan association is found in *Minn. Building & Loan Ass'n v Closs*, 182 M 452, 234 NW 872.

**47.02 "BANK" AND "SAVINGS BANK."**

**HISTORY.** 1907 c. 111 s. 1; 1909 c. 103 s. 1; G.S. 1913 s. 6326; G.S. 1923 s. 7636; M.S. 1927 s. 7636.

**POWERS.** See 1930 OAG 7, under section 47.01.

**INCORPORATION.** See 1912 OAG 21, under section 47.01.

**HOLDING COMPANIES** organized to acquire and hold stocks in banks or mortgage loan companies are not banks or mortgage loan companies. 1930 OAG 344.

**SAVINGS DEPARTMENT** in a state bank is not a savings bank within the laws of Minnesota. 1910 OAG 32.

**LIQUIDATION.** The commissioner of banks has exclusive power to liquidate insolvent state banks. *Northwestern Fuel Co. v Live Stock St. Bank*, 182 M 276, 234 NW 304.

Right of a trust company to do a banking business. OAG Jan. 23, 1937 (29a-30).

**47.03 "BANK" NOT TO BE USED UNLESS INSPECTION PERMITTED.**

HISTORY. 1907 c. 111 s. 2; G.S. 1913 s. 6327; G.S. 1923 s. 7637; M.S. 1927 s. 7637; 1945 c. 133 s. 1.

**47.07 WHAT COMPANIES SUBJECT TO PROVISIONS.**

HISTORY. 1889 c. 230 s. 1; G.S. 1894 s. 2591; R.L. 1905 s. 2982; G.S. 1913 s. 6344; G.S. 1923 s. 7655; M.S. 1927 s. 7655.

**47.08 ARTICLES OF INCORPORATION FILED WITH COMMISSIONER.**

HISTORY. 1911 c. 323 s. 1; G.S. 1913 s. 6345; G.S. 1923 s. 7656; M.S. 1927 s. 7656.

**47.09 ADVERTISEMENTS.**

HISTORY. 1911 c. 323 s. 2; G.S. 1913 s. 6346; G.S. 1923 s. 7657; 1925 c. 169; M.S. 1927 s. 7657.

**47.10 REAL ESTATE, RIGHT TO ACQUIRE AND HOLD.**

HISTORY. 1879 c. 109 s. 27; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 92; 1889 c. 119 s. 2; G.S. 1894 s. 2563; 1895 c. 145 s. 17; R.L. 1905 s. 2976; G.S. 1913 s. 6338; G.S. 1923 s. 7648; M.S. 1927 s. 7648; 1941 c. 37.

**47.11 SELECTION OF NAME.**

HISTORY. 1895 c. 146; R.L. 1905 s. 2972; G.S. 1913 s. 6334; G.S. 1923 s. 7644; M.S. 1927 s. 7644.

**47.12 FINANCIAL CORPORATIONS.**

HISTORY. -G.S. 1866 c. 33 ss. 10, 13; 1876 c. 42 s. 1; 1878 c. 33 ss. 10, 13; 1879 c. 109 ss. 2, 19; 1881 c. 77 s. 10; 1883 c. 19 s. 2; 1887 c. 63; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 ss. 85, 88; 1893 c. 79 s. 1; 1893 c. 46 s. 1; G.S. 1894 ss. 2490, 2493, 2533, 2558, 2855; 1901 c. 233; R.L. 1905 s. 2847; G.S. 1913 s. 6145; G.S. 1923 s. 7441; M.S. 1927 s. 7441.

**IMPLIED POWERS.** Not all the powers possessed by banks and trust companies are expressly stated in the statute. The general principle that corporations possess not only the powers which are expressly granted, but also those which are incidental to their very existence or are reasonably necessary to carry out the powers expressly granted applies to them. 1918 OAG 29.

Subd. 4. The specific investment provisions of the statute determine the duty of the trustee who is controlled by all the restrictions which the statute imposes. In re Trusteeship Under Will of Jones, 202 M 187, 277 NW 899.

**47.14 CERTIFICATE, HOW ACCOMPANIED.**

HISTORY. 1879 c. 109 s. 5; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 71; G.S. 1894 s. 2541; 1895 c. 145 s. 28; R.L. 1905 s. 2973; G.S. 1913 s. 6335; G.S. 1923 s. 7645; M.S. 1927 s. 7645.

**47.15 BY-LAWS; WHERE FILED.**

HISTORY. R. L. 1905 s. 2975; G.S. 1913 s. 6337; G.S. 1923 s. 7647; M.S. 1927 s. 7647.

**47.16 EXAMINER'S CERTIFICATE.**

HISTORY. 1879 c. 109 ss. 3, 4, 10, 13; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 ss. 69, 70, 76, 79; G.S. 1894 ss. 2539, 2540, 2546, 2549; R.L. 1905 s. 2974; G.S. 1913 s. 6336; G.S. 1923 s. 7646; M.S. 1927 s. 7646.

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**47.17 VICE-PRESIDENTS; ELECTION, QUALIFICATIONS.**

HISTORY. 1911 c. 323 s. 3; G.S. 1913 s. 6347; 1921 c. 90 s. 1; G.S. 1923 s. 7658; M.S. 1927 s. 7658.

**47.18 "CORPORATION"; "AGENCY."**

HISTORY. 1933 c. 101 s. 1; M. Supp. s. 7658-1.

**47.19 CORPORATION MAY BE MEMBER OR STOCKHOLDER OF FEDERAL AGENCY.**

HISTORY. 1933 c. 101 s. 2; M. Supp. s. 7658-2.

A building and loan association may accept for its mortgage satisfactions, bonds issued under the home owners' loan act of 1933. 1934 OAG 16, Aug. 12, 1933 (53E).

State building and loan associations may not convert into national associations. 1934 OAG 17, Nov. 16, 1933 (214a).

A national mortgage association is a financial corporation. 1934 OAG 30, Dec. 28, 1934 (616e-2).

A Minnesota state bank may issue preferred stock. 1934 OAG 35, Aug. 12, 1933 (29a-28).

**47.20 FINANCIAL INSTITUTIONS MAY AVAIL THEMSELVES OF PROVISIONS OF FEDERAL HOUSING ACT.**

HISTORY. 1935 c. 49 s. 1; 1937 c. 88 s. 1; M. Supp. s. 7658-3.

Use of federal housing act mortgages. 1938 OAG 44, Jan. 18, 1937 (140f-11); 1938 OAG 126, May 11, 1937 (140f).

**47.21 LAWS PRESCRIBING TYPE OF SECURITY NOT TO APPLY.**

HISTORY. 1935 c. 49 s. 2; 1937 c. 88 s. 2; M. Supp. s. 7658-4.

NATIONAL HOUSING ACT LOANS. This section does not authorize the making to one person of national housing act loans which exceed the restrictions in section 48.24 of "25 per cent of such capital and surplus." 1938 OAG 5, March 18, 1937 (533i).

**47.23 TRUST COMPANIES MAY ESTABLISH SAVINGS DEPARTMENT.**

HISTORY. 1879 c. 109 s. 46; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 113; G.S. 1894 s. 2583; R.L. 1905 s. 2978; 1909 c. 178 s. 1; G.S. 1913 s. 6340; 1915 c. 236 s. 1; G.S. 1923 s. 7651; M.S. 1927 s. 7651; 1929 c. 77 s. 1; 1945 c. 133 s. 2.

See State ex rel v Crookston Trust. State ex rel v Crookston Trust, 203 M 517; 282 NW 138.

SAFETY DEPOSIT BOXES. The renting of safety deposit boxes is confined to savings bank or safe deposit and trust companies subject to and complying with all provisions of law relating to such banks or safe deposit and trust companies. 1918 OAG 16.

**47.24 FAILURE TO REPORT; FORFEITURES.**

HISTORY. 1879 c. 109 s. 39; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 106; G.S. 1894 s. 2576; 1895 c. 145 s. 10; R.L. 1905 s. 2979; G.S. 1913 s. 6341; G.S. 1923 s. 7652; M.S. 1927 s. 7652.

**47.25 NOTICE OF MEETINGS.**

HISTORY. R.L. 1905 s. 2980; G.S. 1913 s. 6342; G.S. 1923 s. 7653; M.S. 1927 s. 7653.

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## 47.26 VIOLATIONS.

HISTORY. 1895 c. 145 s. 11; R.L. 1905 s. 2981; G.S. 1913 s. 6343; G.S. 1923 s. 7654; M.S. 1927 s. 7654.

UNCERTAIN. This provision is so indefinite and uncertain in its application that it cannot be given effect. *State v Voogd*, 170 M 255, 212 NW 528.