

CHAPTER 48

BANKS, TRUST COMPANIES

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48.13 CONDITIONS OF BONDS.

Subdivision 1. **Securities.** If a bond is given, it shall be in favor of the bank and shall have one corporate surety, which shall be a solvent insurance corporation in good standing authorized to do business in Minnesota, or at least five individual sureties, not one of whom shall be an officer, director, or stockholder of the bank, and each of whom shall justify in a sum equal to the penalty of the bond and, in addition thereto, each individual surety shall furnish to the bank, in connection with the bond, a verified financial statement showing his solvency and responsibility, which statement shall be renewed and revised annually by each surety. If a contract of insurance is secured, it shall be in favor of the bank and shall be executed by some insurance company possessing the qualifications heretofore specified. No cancellation or termination at the request of the underwriter of a bond or contract of insurance required by section 48.12 shall be effective unless the underwriter gives in advance at least 60 days written notice by registered mail to the commissioner of commerce.

Subd. 2. **Securities in lieu of bond.** With the prior written approval of the commissioner and in lieu of the corporate surety or five individual sureties, there may be posted a deposit in securities of a form and amount acceptable to the commissioner. These funds are under the control of the commissioner for the purposes of section 48.12. All deposits must remain in the custody of the commissioner of finance and pursuant to sections 7.19 and 46.15 may be released only upon order from the commissioner. These control and custody requirements must not prevent any interest or dividend earnings accruing on the funds posted to be paid over to pledgor.

History: *1Sp1985 c 13 s 182*

48.151 ADDITIONAL POWERS.

Any bank, savings bank, or trust company organized under the laws of this state, or any national banking association doing business in this state, shall have the power to advertise for sale and sell for a fee money orders, traveler's checks, cashier's checks, drafts, registered checks, and certified checks and no other person, firm, or corporation, either directly or through agents, shall advertise for sale or shall sell for a fee any evidence of indebtedness on which there appears the words, "money order," "traveler's check," "cashier's check," "draft," "registered check," "certified check," or other words or symbols whether of the same or different character which tend to lead the purchaser to believe that such evidence of indebtedness is other than a personal check, unless such evidence of indebtedness is issued by a person, firm or corporation which is a savings and loan association, or telegraph company, or, in the case of cashier's checks, is issued by an industrial loan and thrift company with deposit liabilities, provided that these instruments are issued in conformity with the Uniform Commercial Code, or is issued by a person, firm, or corporation that has on file in the office of the secretary of state a surety

bond in the principal sum of \$5,000 issued by a bonding or insurance company authorized to do business in this state, which surety bond shall run to the state of Minnesota and shall be for the benefit of any creditor for any liability insured on account of the sale or issuance by it or its agent of any such evidence of indebtedness, or has deposited with the secretary of state securities or cash of the value of \$5,000; provided, however, that the aggregate liability of the surety to all such creditors shall, in no event, exceed the sum of such bond or deposit. Any person, firm or corporation who shall violate any provision of this section shall be guilty of a misdemeanor.

History: *1Sp1985 c 1 s 1*

48.19 [Repealed, 1Sp1985 c 13 s 376]

48.30 DEPOSITS IN NAME OF MINOR.

Any deposit made in the name of a minor, shall be held for the exclusive right and benefit of the minor, free from the control or lien of all other persons, except creditors, and, together with the dividends or interest thereon, shall be paid to the minor, and the minor's receipt, check, or acquittance in any form shall be a sufficient release and discharge of the depository for the deposit, or any part thereof, until a conservator or guardian appointed for the minor shall have delivered a certificate of appointment to the depository.

History: *1985 c 292 s 1*

48.301 MULTIPARTY ACCOUNTS.

When any deposit is made in the names of two or more persons jointly, or by any person payable on death (P.O.D.) to another, or by any person in trust for another, the rights of the parties and the financial institution are determined by chapter 528.

History: *1985 c 292 s 2*

48.57 [Repealed, 1Sp1985 c 13 s 376]

48.58 [Repealed, 1Sp1985 c 13 s 376]

48.61 AUTHORIZED INVESTMENTS FOR STATE BANKS AND TRUST COMPANIES.

[For text of subds 1 to 4, see M.S.1984]

Subd. 5. In the absence of an express provision to the contrary, whenever any statute, regulation, charter, trust indenture, authorizing resolution, or other instrument governing the investment of funds of a banking institution, as defined in section 48.01, subdivision 2, directs, requires, authorizes, or permits investment in obligations of the United States or obligations, the payment of the principal of and interest on which is unconditionally guaranteed by the United States, investment in these obligations may be made either directly or in the form of securities of, or other interests in, an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose investments are limited to these obligations and repurchase agreements fully collateralized by these obligations, if the repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks.

Investment company shares authorized pursuant to this subdivision shall not exceed 20 percent of the banks' capital stock and paid in surplus. These obligations shall be carried at the lower of cost or market on the banks' books and adjusted to market on a quarterly basis.

History: 1985 c 187 s 1

48.87 [Repealed, 1Sp1985 c 13 s 376]

48.89 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 commerce.

(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, bookkeeping, 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 section 46.046.

[For text of subds 2 to 6, see M.S.1984]

History: 1985 c 248 s 19