

## CHAPTER 48A

## TRUST COMPANIES

48A.03 Capital and surplus requirements of trust companies.

**48A.03 CAPITAL AND SURPLUS REQUIREMENTS OF TRUST COMPANIES.**

*[For text of subd 1, see M.S.2002]*

**Subd. 2. Required investment.** No trust company shall transact business until all of its authorized capital stock and required surplus has been paid in, in cash, and at least 25 percent of the capital has been invested in one or more of the first, second, third, and fourth classes of authorized securities and railroad bonds, as described by section 48.37, and also in the farm loan bonds issued by the federal land banks, federal intermediate credit banks, and the banks for cooperatives. These investments must be assigned and transferred to and deposited with the commissioner of finance, provided, however, that no trust company shall be required to deposit securities in excess of \$1,000,000. The commissioner of finance shall submit the securities deposited according to this subdivision to the commissioner. The commissioner shall carefully examine the securities offered for deposit and determine if they comply with all applicable provisions of law. Upon receipt of an order of the commissioner, the commissioner of finance shall issue a receipt. This deposit must be maintained unimpaired as a guaranty fund for depositors and creditors and for the faithful discharge of the trust company's duties, with the right to collect the income from it and to substitute other similar authorized securities, of equal amount and value, upon approval and order of the commissioner.

If the securities comply with the law, the commissioner shall issue a certificate of authorization for the trust company to begin business.

*[For text of subd 3, see M.S.2002]*

**Subd. 4. Requirements for consolidated companies.** When two or more trust companies have been or are consolidated under sections 49.34 to 49.41, or, in the case of a limited liability company, sections 322B.70 to 322B.75, the capital of the consolidated trust company is considered substituted for the capital of the several trust companies entering into the consolidation, and the aggregate of the securities of these trust companies on deposit with the commissioner of finance, according to this section, must be increased or diminished accordingly.

**Subd. 5. Requirements for limited purpose companies.** A company may also be organized, with its principal place of business in the state, with a capital of not less than \$10,000, to be paid in cash, of which 50 percent must be invested in authorized securities and deposited with the commissioner of finance, as provided in this section. The powers and business of the company must be to act as assignee under an assignment for the benefit of creditors, or be appointed and act as a trustee or receiver, as a guardian, as executor of a will, or administrator of an estate. The company may accept and perform any other lawful trust over which a state or federal court has jurisdiction. The company, before entering upon the duties of its trust, shall give a surety bond in the sum the court directs, with sufficient surety, conditioned for the faithful performance of its duties. The business of a company is limited to the matters in this subdivision. A company with a capital stock of less than \$10,000 shall not use the word "trust" in the title or name of the company.

**History:** 2003 c 112 art 2 s 50