

ENROLLED HOUSE  
BILL NO. 2251

By: Thomas and Isaac of the  
House

and

Kerr of the Senate

An Act relating to the unit collateral system; amending 62 O.S. 1991, Section 516.6, which relates to custody of unit collateral securities; providing for records of securities evidenced by paper certificates and other methods; prescribing procedures for transfer of securities; prohibiting transfer of record securities without written permission of State Treasurer; requiring report of request to transfer such securities; requiring records of transactions; requiring certain security-depository bank to provide certain statements to State Auditor and Inspector; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 62 O.S. 1991, Section 516.6, is amended to read as follows:

Section 516.6 Custody of unit-collateral securities in a "security-depository" bank under its receipt to the State Treasurer of the State of Oklahoma and to the pledgor bank, jointly, is hereby authorized, conditioned as hereinafter provided. Such security-depository bank may be the Oklahoma City branch bank of the Federal Reserve System, or any reserve city bank in Oklahoma approved by the State Treasurer as for this act constituted, as a security-depository bank. The condition of such custody as to each receipt, prerequisite to approval of the securities evidenced thereby, shall be that such security-depository bank by its proper officers, in the name of said bank and over the official signatures of such officers (attested by the seal of the bank) undertake and agree without reservation: (1) that said undertaking of sole custody and joint receipt shall be binding upon said bank and upon said officers and their successors in office; (2) that no release of such securities either to the State Treasurer or to the pledgor bank shall ever be made except upon the written consent of the other, during the solvency of said pledgor bank; (3) that coupon clippings shall be made only in accordance with agreement with the owner (pledgor) bank with notice only to the pledgee State Treasurer; (4) that, in the event of insolvency of the pledgor bank, no release of said securities shall be made to the receiver thereof except upon release by the State Treasurer with his certificate that all the public depository accounts secured thereby have been satisfied or that such receiver has redeemed the same by paying into the State Treasury a sum of money, in lieu thereof, equal to the par value thereof or sufficient to satisfy the public deposits secured thereby, or, in the absence of redemption, to the State Treasurer until after the one-hundred-twenty-day redemption period provided by

law has fully lapsed; and that thereafter, such custody shall cease to be joint but shall run to the State Treasurer only and subject to demand by him with the approval and order of the Attorney General of the State of Oklahoma attached thereto; (5) that said securities, while in the custody evidenced by such receipt, shall either (i) be evidenced by an original paper certificate reflecting the ownership interest of the pledgor bank, which shall be kept and preserved within the State of Oklahoma and in said security-depository bank, and or (ii) be transferred into the name of the security-depository bank pursuant to accepted practice in the securities industry, and the security-depository bank shall reflect on its records the ownership of the pledgor bank and the pledge to the State of Oklahoma, which records shall be maintained within the State of Oklahoma by said security-depository bank. If said securities are transferred into the name of the security-depository bank, the security-depository bank shall not, without the written permission of the State Treasurer, transfer record ownership of said securities to any other person, and shall immediately report to the State Treasurer any request received by the security-depository bank to transfer record ownership or possession of such securities to any other person. Such certificates or records shall be available for physical inspection, on written authority of the owner (pledgor) bank and with an officer of said pledgor bank present, by the State Auditor and Inspector in the discharge of his duties under the law, and at other times on request of said State Auditor and Inspector to the security-depository bank shall furnish an authenticated and verified statement thereof.

SECTION 2. This act shall become effective September 1, 1994.

Passed the House of Representatives the 12th day of April, 1994.

Speaker of the House of  
Representatives

Passed the Senate the 30th day of March, 1994.

President of the Senate