

SHORT TITLE: Banks and trust companies; making levy of assessment to remedy impairment of capital a first and prior lien against certain stock; effective date.

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

SENATE BILL NO. 30

By: Brown of the Senate

and

Isaac of the House

AS INTRODUCED

An Act relating to banks and trust companies;

amending 6 O.S. 1991, Section 220, which relates to assessment for impairment of capital; clarifying application of assessment to remedy impairment of capital; authorizing State Banking Commissioner to permit additional time before certain shares are offered at public auction; allowing excess from sale of certain stock to be paid to additional parties; clarifying that stock is acquired free and clear of all liens, security interests, claims or encumbrances and noting exception; and providing an effective date.

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

SECTION 1. AMENDATORY 6 O.S. 1991, Section 220, is amended to read as follows:

Section 220. A. Commissioner may direct assessment - Procedure. The Commissioner may order a bank or trust company to levy an assessment in a designated amount upon the holders of record of common stock to remedy an impairment of capital. All such bank or trust company stock shall be subject to this assessment. Upon receipt of an order to levy an assessment, the directors shall, within three (3) business days, cause to be sent to all holders of

common stock, at their addresses on the books of the bank or trust company, a notice of the amount of the assessment, a copy of the order of the Commissioner and a copy of this subsection. If an assessment is not paid within thirty (30) days after the notice is mailed, or such additional time as the Commissioner may permit, the bank or trust company shall offer the shares of the defaulting shareholders for sale at public auction at a price which shall not be less than the amount of the assessment and the cost of the sale. Any excess from the sale of said stock shall be paid to the prior owners, their assignees or holders of liens, security interests, claims or encumbrances against such stock. The excess may be interpled. The purchaser shall acquire said stock free and clear of all liens, security interests, claims or encumbrances of any kind whatsoever, except future assessments under this section. The method of collection provided herein shall be the sole method of collecting assessments.

B. Limitation of bank operations where capital impaired.

Whenever the capital or reserve of any bank shall be impaired, the Commissioner may order it to make no new loans or discounts except upon sight bills of exchange drawn against actually existing values.

SECTION 2. This act shall become effective September 1, 1993.

44-1-0089

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