

CHAPTER 50

BANKING DIVISION; SAVINGS BANKS

50.01 EXPEDIENCY ASCERTAINED BY COMMISSIONER.

HISTORY. 1879 c. 109 ss. 8, 9; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 ss. 74, 75; G.S. 1894 ss. 2544, 2545; R.L. 1905 s. 3009; G.S. 1913 s. 6380; G.S. 1923 s. 7700; M.S. 1927 s. 7700.

50.02 REFUSAL OF COMMISSIONER TO ISSUE CERTIFICATE.

HISTORY. 1879 c. 109 s. 11; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 77; G.S. 1894 s. 2547; R.L. 1905 s. 3010; G.S. 1913 s. 6381; G.S. 1923 s. 7701; M.S. 1927 s. 7701.

50.03 BUSINESS, TO COMMENCE WITHIN ONE YEAR; EXTENSION.

HISTORY. 1879 c. 109 s. 14; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 80; G.S. 1894 s. 2550; R.L. 1905 s. 3011; G.S. 1913 s. 6382; G.S. 1923 s. 7702; M.S. 1927 s. 7702.

50.04 BONDS OF TRUSTEES.

HISTORY. 1879 c. 109 s. 3; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 69; G.S. 1894 s. 2539; R.L. 1905 s. 3012; G.S. 1913 s. 6383; G.S. 1923 s. 7703; M.S. 1927 s. 7703.

50.05 BOND OF TREASURER.

HISTORY. 1879 c. 109 s. 20; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 80; G.S. 1894 s. 2556; R.L. 1905 s. 3013; G.S. 1913 s. 6384; G.S. 1923 s. 7704; M.S. 1927 s. 7704.

50.06 TRUSTEES; FIRST BOARD.

HISTORY. 1879 c. 109 ss. 15, 16, 47; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 ss. 81, 82, 114; G.S. 1894 ss. 2551, 2552, 2584; R.L. 1905 s. 3014; G.S. 1913 s. 6385; G.S. 1923 s. 7705; M.S. 1927 s. 7705.

DUTY OF A DIRECTOR to manage and supervise the business of a bank is a personal non-delegable one. 1920 OAG 9.

50.07 MEETINGS; QUORUM.

HISTORY. 1907 c. 468 s. 3; G.S. 1913 s. 6386; G.S. 1923 s. 7706; M.S. 1927 s. 7706.

50.08 TRUSTEES TO HAVE NO INTEREST IN PROFITS; VACANCY; COMPENSATION.

HISTORY. 1879 c. 109 ss. 19, 21, 34; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 ss. 85, 87, 101; G.S. 1894 ss. 2555, 2557, 2571; R.L. 1905 s. 3016; G.S. 1913 s. 6387; G.S. 1923 s. 7707; M.S. 1927 s. 7707.

All income of savings banks belongs to the depositors. Bull v. King, 205 M 434, 286 NW 311.

PURCHASE OF MORTGAGES by a savings bank from a trust company whose directors are trustees of the savings bank does not violate this section. 1908 OAG 10.

MINNESOTA STATUTES 1945 ANNOTATIONS

50.09 SAVINGS BANKS

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50.09—DEPOSITS; LIMITATION OF AMOUNT.

HISTORY. 1879 c. 109 s. 22; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 88; G.S. 1894 s. 2558; 1903 c. 71; R.L. 1905 s. 3017; G.S. 1913 s. 6388; G.S. 1923 s. 7708; M.S. 1927 s. 7708.

50.10 REGULATIONS.

HISTORY. 1879 c. 109 s. 23; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 89; G.S. 1894 s. 2559; 1903 c. 71; R.L. 1905 s. 3018; 1907 c. 468 s. 5; G.S. 1913 s. 6389; G.S. 1923 s. 7709; M.S. 1927 s. 7709.

CERTIFICATES OF DEPOSIT. This section impliedly recognizes the use of other evidence of deposit than pass-books, such as certificates of deposit. 1916 OAG 19.

50.11 SECURITIES HELD FOR SAFE-KEEPING; SAFE DEPOSIT BOXES; LIMITATION OF LIABILITY.

HISTORY. 1923 c. 312 s. 1; M.S. 1927 s. 7710.

50.12 ACTION FOR DEPOSITS; PARTIES; LIMITATIONS.

HISTORY. 1879 c. 109 s. 25; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 91; G.S. 1894 s. 2561; R.L. 1905 s. 3020; G.S. 1913 s. 6391; G.S. 1923 s. 7712; M.S. 1927 s. 7712.

50.13 REAL ESTATE.

HISTORY. 1879 c. 109 s. 27; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 93; 1889 c. 119 s. 2; G.S. 1894 s. 2563; 1901 c. 247; R.L. 1905 s. 3021; G.S. 1913 s. 6392; G.S. 1923 s. 7713; M.S. 1927 s. 7713.

50.14 AUTHORIZED SECURITIES.

HISTORY. 1879 c. 109 s. 26; 1883 c. 46; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 92; 1889 c. 64 s. 1; 1889 c. 119 s. 1; G.S. 1894 s. 2562; 1903 cc. 71, 108, 273; R.L. 1905 s. 3022; 1907 c. 468 ss. 7, 8; 1913 c. 124; 1913 c. 506; G.S. 1913 s. 6393; 1917 c. 88 s. 1; 1919 c. 181 s. 1; 1923 c. 421 s. 1; G.S. 1923 s. 7714; 1927 c. 368; 1927 c. 422; M.S. 1927 s. 7714; 1931 c. 296; 1933 c. 256 ss. 1, 2; 1933 c. 307; 1933 c. 368; Ex. 1934 c. 50 s. 1; 1939 c. 105 s. 1; 1939 c. 141; 1939 c. 409 s. 1; 1941 c. 380 ss. 1, 2; 1943 c. 197 s. 1; 1943 c. 635 s. 6; 1945 c. 140 s. 1.

POWER TO INVEST. Only a restricted power to invest in enumerated stocks has been granted to savings banks. In re Trusteeship Under Will of Jones, 202 M 187, 200, 277 NW 899.

A fractional mortgage certificate is an authorized security under this section if the mortgage meets the other requirements. Bowden v Citizens L. & T. Co. 194 M 113, 259 NW 815, discussed in 19 MLR 819.

As to the right to reopen and examine and vacate orders allowing annual accounts the determination of the trial court, being based upon conflicting proof, should not be disturbed on appeal. Fleischmann v N. W. Nat'l, 194 M 231, 260 NW 310.

"United States Treasury notes 2½ per cent issue, Aug. 1, 1932, Series 'B', 1934" are "authorized security", while "South Park commissioners improvement, Chicago, Ill. 4 per cent due 1936" are not. 1934 OAG 37, Aug. 2, 1933 (140f-1).

City bonds are authorized collateral for city and school deposits of the same city. 1934 OAG 57, Feb. 2, 1933 (140c-3).

Skelly Oil Company and McKesson & Robbins, Inc. bonds are not proper security for public funds. International telephone and telegraph may, by compliance with Laws 1933, Chapter 41, be proper. 1934 OAG 859, May 5, 1933 (442a-4).

Federal farm mortgage corporation, 3 per cent bonds, due May 16, 1944-1949, are proper security. 1936 OAG 8, March 21, 1936 (140b-3).

Relating to industrial bonds. 1936 OAG 9, Feb. 13, 1936 (450d-1).

National housing act bonds are not designated under the statute. 1936 OAG 11, Dec. 24, 1935 (616e-2); 1936 OAG 339, Nov. 14, 1935 (140e-5).

Water, light, power, and building commission of a village may not invest its surplus funds in outstanding village warrants. 1936 OAG 66, Sept. 19, 1936 (469b-6).

See as to participating certificates under the "Phelps Plan Trust". 1938 OAG 44, Jan. 18, 1937 (140f-11).

Selection of authorized securities from list furnished, see Laws 1941, Chapter 380. 1940 OAG 54, Aug. 23, 1939 (140f-6).

An ordinary "prudent person" would be justified in investing in share accounts of savings and loan associations. OAG Feb. 9, 1944 (53d).

Refunding bonds of public improvement district are authorized securities. OAG Nov. 21, 1944 (30e).

Subd. 4(2) Street improvement certificates issued under authority of Laws 1919, Chapter 65, must be included as debts of the municipality in arriving at its net indebtedness for this section despite the fact that Laws 1919, Chapter 65, states: "The amount of any such certificates . . . shall not be included in determining such municipality's net indebtedness under the provisions of any applicable law." 1926 OAG 141. See also 1928 OAG 143.

REPRESENTATIVE'S INVESTMENT. While there is no statute expressly defining the securities in which a representative may be authorized by the probate court to invest, a safe course would be to confine his investments to the securities named in this section. In re Estate of Marchildon, 188 M 38, 246 NW 676.

50.15 INVESTMENT OF FUNDS.

HISTORY. 1925 c. 180; M.S. 1927 s. 7715.

See, Trusteeship under the will of Jones, 202 M 200, 277 NW 899.

50.153. LIMITATION ON AMOUNT OF LOANS BY SAVINGS BANKS IN REAL ESTATE MORTGAGE SECURITIES.

HISTORY. 1945 c. 132 s. 1.

50.155 SAVINGS BANKS MAY PURCHASE CERTAIN MORTGAGE LOANS.

HISTORY. 1945 c. 236 s. 1.

50.16 PROHIBITED DEALINGS.

HISTORY. 1879 c. 109 s. 31; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 97; G.S. 1894 s. 2567; R.L. 1905 s. 3024; G.S. 1913 s. 6395; G.S. 1923 s. 7716; M.S. 1927 s. 7716.

EXCHANGE AND TRAVELERS' CHECKS. The business of issuing exchange and travelers' checks does not come within the corporate powers of a savings bank. 1918 OAG 21.

50.17 REPAYMENT; INTEREST; SURPLUS, WHEN DISTRIBUTED.

HISTORY. 1879 c. 109 s. 32; 1881 c. 119 s. 1; G.S. 1878 (1888 Supp.) c. 33 ss. 98, 99; 1889 c. 119 s. 4; G.S. 1894 ss. 2568, 2569; R.L. 1905 s. 3025; 1907 c. 468 s. 9; G.S. 1913 s. 6396; G.S. 1923 s.7717; M.S. 1927 s. 7717.

CONSTRUCTION. All income of a savings bank belongs to the depositors. Bull v King, 205 M 427, 434, 286 NW 311.

50.18 METHOD OF DETERMINING SURPLUS.

HISTORY. 1879 c. 109 s. 33; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 100; G.S. 1894 s. 2570; R.L. 1905 s. 3026; G.S. 1913 s. 6397; G.S. 1923 s. 7718; M.S. 1927 s. 7718.

50.19 ANNUAL REPORT; ASSETS.

HISTORY. 1879 c. 109 ss. 35, 36; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 ss. 102, 103; G.S. 1894 ss. 2572, 2573; R.L. 1905 s. 3027; 1907 c. 468 s. 10; G.S. 1913 s. 6398; G.S. 1923 s. 7719; M.S. 1927 s. 7719.

50.20 REPORT TO SHOW LIABILITIES.

HISTORY. 1879 c. 109 s. 37; 1878 Vol. 2 (1888 Supp.) c. 33 s. 104; G.S. 1894 s. 2574; R.L. 1905 s. 3028; G.S. 1913 s. 6399; G.S. 1923 s. 7720; M.S. 1927 s. 7720.

50.21 VERIFICATION OF REPORT.

HISTORY. 1879 c. 109 s. 38; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 105; G.S. 1894 s. 2575; R.L. 1905 s. 3029; G.S. 1913 s. 6400; G.S. 1923 s. 7721; M.S. 1927 s. 7721.

SCOPE. This section applies to savings banks organized under Laws 1867 since its requirements are within the legitimate scope of the police power. 1918 OAG 20.

50.22 PROCEEDINGS UPON VIOLATION.

HISTORY. 1879 c. 109 s. 43; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 110; G.S. 1894 s. 2580; R.L. 1905 s. 3030; G.S. 1913 s. 6401; G.S. 1923 s. 7722; M.S. 1927 s. 7722.

POWER OF THE ATTORNEY GENERAL. He may, independently of this section and in his own discretion, proceed against a savings bank, but when the commissioner reports to him, as provided in this section, he has no discretion but must proceed against the corporation. State ex rel v Am. Sav. & L. Co. 64 M 349, 67 NW 1.

50.23 CHANGE OF NAME.

HISTORY. 1879 c. 109 s. 48; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 s. 115; G.S. 1894 s. 2585; R.L. 1905 s. 3031; G.S. 1913 s. 6402; G.S. 1923 s. 7723; M.S. 1927 s. 7723.

50.24 EXISTING BANKS CONFORMED; EXCEPTIONS.

HISTORY. 1879 c. 109 ss. 49, 52; G.S. 1878 Vol. 2 (1888 Supp.) c. 33 ss. 116, 119; G.S. 1894 ss. 2586, 2589; R.L. 1905 s. 3032; G.S. 1913 s. 6403; G.S. 1923 s. 7724; M.S. 1927 s. 7724.

SALE OF CHARTER. An order directing the sale by a receiver of a savings bank charter issued under Laws 1867 held properly denied. The order permitting the sale would necessarily have sanctioned the bank's continued existence after the discharge of the receiver, and adjudicated that its existence should not be terminated by the judgment to be entered. State ex rel v Sav. Bank of St. Paul, 102 M 199, 113 NW 268.

50.25 BANKS ORGANIZED UNDER LAWS 1867; CAPITAL STOCK; AMENDMENT OF ARTICLES.

HISTORY. 1911 c. 332 s. 1; G.S. 1913 s. 6404; G.S. 1923 s. 7725; M.S. 1927 s. 7725.