

ings, authorize loans to directors not holding any other office nor being an employee, not exceeding a maximum sum at any one time, which resolution shall be voted upon in the absence of such director. Any such officer, director or employee of the bank violating any of the provisions of this section shall be guilty of embezzlement and shall be imprisoned in the penitentiary not exceeding ten years, or fined in a sum not less than the amount embezzled, or by both fine and imprisonment, but nothing in this act shall prevent or defeat the right to recover upon any note or notes given in violation of this provision.

Approved April 2 A. D. 1913.

CHAPTER 151.

POSTAL SAVINGS DEPOSITS SECURED.

S. F. 265.

AN ACT providing for the deposit by state and savings banks with the treasurer of the United States, of securities to secure postal savings deposits made in such banks under the provisions of the postal savings bank act. [Additional to chapter twelve (12) of title nine (9) of the code relating to banks.]

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. Securities deposited with treasurer of United States. That all state and savings banks now existing or that may be hereafter organized under and by virtue of the laws of the state of Iowa be, and they are hereby authorized and permitted to deposit with the treasurer of the United States such of the securities of the depositing bank as may be required to secure the postal savings funds deposited therein.

Approved April 17 A. D. 1913.

CHAPTER 152.

ADDITIONAL POWERS CONFERRED UPON TRUST COMPANIES, STATE AND SAVINGS BANKS.

Sub. for S. F. 118.

AN ACT to confer additional powers upon trust companies, state and savings banks and to prescribe the conditions under which they may transact business. [Additional to chapters ten (10), eleven (11) and twelve (12) of title nine (IX) of the code relating to banks, loan and trust companies.]

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. Additional powers—to act in fiduciary capacity. Trust companies, state and savings banks now existing or which shall be hereafter incorporated under the provisions of title nine (IX), of the code, in addition to the powers already granted to such corporation, shall have power, when so authorized by their articles of incorporation:

First. To be appointed assignee or trustee by deed, and guardian, executor or trustee by will, and such appointment, upon qualification as herein required, shall be of like force as in case of appointment of a natural person.

Second. To be appointed receiver, assignee, guardian, administrator, or other trustee by any court of record in this state, and it shall be lawful for such court to appoint such corporation as such receiver, assignee, guardian, administrator, or other trustee, in the manner provided by law for the appointment of any natural person to such trust. Provided any such appointment as guardian shall apply to the estate and not the person.

Third. To act as fiscal or transfer agents, or registrar for estates, municipalities, companies and corporations.

Fourth. To take, accept and execute any and all such trusts and powers of whatsoever character and description, not in conflict with the laws of the United States or of the state of Iowa, as may be conferred upon or entrusted or committed to them by any person or persons or any body politic, corporation or other authority, by grant, assignment, transfer, devise, bequest or otherwise, or which may be intrusted or committed or transferred to them or vested in them by order of any court of record, and to receive and take and hold any property or estate, real or personal, which may be the subject of any such trust, and to manage and dispose of such property or estate in accordance with the terms of such trust or power.

Fifth. **Depository.** Any court having appointed, and having jurisdiction of any receiver, executor, administrator, guardian, assignee or other trustee, upon the application of such officer or trustee, after such notice to the other parties in interest as the court may direct, and after a hearing upon such application, may order such officer or trustee to deposit any moneys then in his hands, or which may come into his hands thereafter, and until the further order of said court, with any such trust company, state or savings bank, and upon deposit of such money, and its receipt and acceptance by such corporation, the said officer or trustee shall be discharged from further care or responsibility therefor. Such deposit shall be paid out only upon the orders of said court.

Sixth. **Personal assets deposited.** Whenever, in the judgment of any court having jurisdiction of any estate in process of administration by any assignee, receiver, executor, administrator, guardian or other trustee, the bond required by law of such officer shall seem burdensome or excessive, upon application of such officer or trustee, and after such notice to the parties in interest as the court shall direct, and after a hearing on such application, the said court may order the said officer or trustee to deposit with any such corporation for safe keeping, such portions or all of the personal assets of said estate as it shall deem proper, and thereupon said court shall, by an order of record, reduce the bond to be given, or theretofore given by such officer or trustee, and the property as deposited shall thereupon be held by the corporation under the orders and directions of said court. When any deposit shall be made by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given to the corporation in the event of the death of the trustee, the same or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom the said deposit was made, or to his or her legal representatives; provided, that the person for whom the deposit was made, if a minor, shall not draw the same during his or her minority without the consent of the legal representatives of said trustee.

Seventh. **Securities.** To issue drafts upon depositories, and to purchase, invest in, and sell promissory notes, bills of exchange, bonds and mortgages and other securities.

Eighth. **Safe deposit.** To exercise the powers conferred on and to carry on the business of a safe deposit company.

SEC. 2. **Voting stock.** In case any corporation shall hold any of its own shares of stock in any of the trust capacities herein authorized, then such shares shall be voted at stockholders' meetings by any person so authorized by the board of directors of said corporation.

SEC. 3. **Separate funds.** All property, real or personal, received in trust by any such corporation exercising the powers granted by this act, shall be kept separate from such funds or property which may be in the possession of such corporation, and shall not be liable for the debts or obligations of such corporation.

SEC. 4. **Powers and rights same as individuals.** Every state or savings bank, or trust company, acting as guardian, administrator, executor, trustee, assignee, receiver or custodian shall have the same rights, powers and privileges as individuals so acting, and receive the same compensation as is or may be allowed individuals for exercising similar offices or trusts, so far as the same are fixed by statutes and shall execute a bond for the faithful performance of the trust confided to it in like sum and with like penalties as is required by individuals.

SEC. 5. **Dissolution—successor—qualifications.** In case any corporation desires to retire from business under this act, or in case of the dissolution of any such corporation the court having jurisdiction of each of the several trusts and appointments held by such corporation shall, upon application of such corporation or its receiver, after such notice to the other parties in interest as the court may direct, and after a hearing upon such application, appoint another corporation as successor trustee or appointee, and upon the acceptance of such office by the successor trustee and due qualification therefor, and the transfer of the property in such case held, to the successor trustee then the dissolving corporation shall be discharged from any further responsibility in such trust capacity or appointment. And the auditor of state, upon being furnished with satisfactory evidence of said corporation release and discharge from all of the obligations and trusts assumed by virtue of this act, shall thereupon return to such corporation the securities deposited by it with him.

SEC. 6. **Words to be incorporated in name.** Any trust company, state or savings bank, which under this act and by its original or amended articles of incorporation shall be authorized to exercise any of the powers herein granted, shall have the word "trust" "state" or "savings" incorporated in the name thereof; and no corporation hereinafter organized without complying with the terms of this act, and no partnership, individual or unincorporated association, shall incorporate or embrace the word "trust" in its name.

SEC. 7. **May contract certain liabilities.** Trust companies, state or savings banks, may contract indebtedness or liability for the following purposes: for necessary expenses in managing and transacting their business, for deposits, and to pay depositors, provided, that in pursuance of an order of the board of directors previously adopted, other liabilities not in excess of an amount equal to the capital stock may be incurred. But nothing herein contained shall limit the issuance, by trust companies, of debentures or bonds—the actual payment of which shall be secured by an actual transfer of real estate securities.

SEC. 8. Attorney—fees. The beneficiaries of any trust held by any such corporation, may appoint, by and with the approval of the court having jurisdiction thereof, a practicing attorney in good standing to look after the legal interests of said beneficiaries; and said attorney shall be allowed by the court a reasonable fee for such legal services, to be paid out of said trust estate.

SEC. 9. Dividends—surplus fund. After providing for all expenses, interest and taxes accrued or due from any corporations exercising the powers herein conferred and deducting all losses and bad debts, the board of directors of said corporation may declare a dividend of so much of the profits of the corporation as they shall judge expedient; all debts past due to any corporation on which interest is past due and unpaid for a period of twelve months, unless the same are well secured and in process of collection, shall be considered had debts within the meaning of this section; before any such dividend is declared, not less than one-tenth of the net profits of the corporation for the preceding half year, or for such period as is covered by the dividend, shall be carried to a fund to be designated the surplus fund, until such surplus fund shall amount to twenty percent of its capital stock, and thereafter such surplus fund shall always be equal to at least twenty per cent of the capital stock of such corporation unless impaired by losses, and whenever the same becomes so impaired it shall be reimbursed in the manner provided for its accumulation. Said surplus shall be invested the same as the original capital.

SEC. 10. Renewal of corporate existence—capital—management—reserve. All of the provisions of section sixteen hundred eighteen-a (1618-a) of the supplement to the code, relating to the renewal of corporate existence of state and savings banks, and all of the provisions of code sections, numbered eighteen hundred forty (1840), eighteen hundred forty-two (1842), eighteen hundred forty-three (1843) so far as same relates to time and manner of commencing business, eighteen hundred forty-five (1845), eighteen hundred forty-six (1846), eighteen hundred forty-seven (1847), eighteen hundred forty-eight (1848), eighteen hundred forty-nine (1849), eighteen hundred fifty-three (1853), eighteen hundred fifty-four (1854), eighteen hundred fifty-six (1856), eighteen hundred fifty-seven (1857), eighteen hundred fifty-eight (1858) and eighteen hundred sixty (1860) and all the provisions of chapter twelve of title IX of the code: and all amendments thereto, and not in conflict with this act, shall apply with equal force and effect to all trust companies organized or reorganized under this act, and said sections are hereby amended to include such trust companies. Provided, that any corporation exercising any of the powers herein granted, in addition to matters required by section eighteen hundred seventy-two (1872) of said chapter twelve of title IX of the code to be given in the statement of conditions, shall give:

A list and brief description of the trusts held by such company, the source of the appointment thereto, and the amount of real and personal estate held by such company by virtue thereof, except that mere mortgage trusts wherein no action has been taken by such company, shall not be included in such statement: said list to be transmitted to the auditor of state within thirty days after the receipt of requisition therefor, but such list shall not be published.

SEC. 11. Acts in conflict repealed. All acts, or parts of acts, in conflict with this act, are hereby repealed.

Approved April 17 A. D. 1913.