

9-903. Transfer of stock; report to commissioner. The shares of stock of any bank or trust company shall be deemed personal property and shall be transferred on the books of the bank or trust company in such manner as the bylaws thereof may direct. No transfer of stock shall be valid against the issuing bank or trust company so long as the registered owner thereof shall be liable as principal debtor, surety or otherwise to the bank or trust company on a matured, charged off or forgiven obligation, nor shall any dividend, interest or profit be paid on such stock so long as the registered owner thereof is indebted to the bank or trust company on a matured, charged off or forgiven obligation, but all such dividends or profits shall be retained by the bank or trust company and applied to the discharge of any such obligations. No stock shall be transferred on the books of any bank or trust company when the bank or trust company is in a failing condition, or when its capital stock is impaired, except upon approval of the commissioner. Whenever a transfer of shares of stock of any bank or trust company occurs which results in direct or indirect ownership by a stockholder or an affiliated group of stockholders of 10% or more of the outstanding stock of the bank or trust company, and whenever additional shares of stock of the bank or trust company are transferred to such stockholder or affiliated group of stockholders, the president or other chief executive officer of the bank or trust company shall report such transfer to the commissioner within 10 days after transfer of the shares of stock on the books of the bank or trust company.

History: L. 1947, ch. 102, § 16; L. 1975, ch. 44, § 8; L. 1988, ch. 59, § 1; L. 1989, ch. 48, § 17; L. 1996, ch. 175, § 11; Apr. 25.