



General Assembly

February Session, 2004

**Raised Bill No. 358**

LCO No. 1293

\*01293\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:  
(BA)

**AN ACT CONCERNING BANKS IN RECEIVERSHIP AND BANK BRANCHING.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-2 of the general statutes, as amended by  
2 section 23 of public act 03-84, and section 1 of public act 03-196, is  
3 repealed and the following is substituted in lieu thereof (*Effective from*  
4 *passage*):

5 As used in this title, unless the context otherwise requires:

6 (1) "Affiliate" of a person means any person controlling, controlled  
7 by, or under common control with, that person;

8 (2) "Applicant" with respect to any license or approval provision  
9 pursuant to this title means a person who applies for that license or  
10 approval;

11 (3) "Automated teller machine" means a stationary or mobile  
12 unattended device, including a satellite device but excluding a point of  
13 sale terminal, at which banking transactions, including, but not limited  
14 to, deposits, withdrawals, advances, payments or transfers, may be

15 conducted;

16 (4) "Bank" means a Connecticut bank or a federal bank;

17 (5) "Bank and trust company" means an institution chartered or  
18 organized under the laws of this state as a bank and trust company;

19 (6) "Bank holding company" has the meaning given to that term in  
20 12 USC Section 1841(a), as from time to time amended, except that the  
21 term "bank", as used in 12 USC Section 1841(a) includes a bank or out-  
22 of-state bank that functions solely in a trust or fiduciary capacity;

23 (7) "Capital stock" when used in conjunction with any bank or out-  
24 of-state bank means a bank or out-of-state bank that is authorized to  
25 accumulate funds through the issuance of its capital stock;

26 (8) "Client" means a beneficiary of a trust for whom the Connecticut  
27 bank acts as trustee, a person for whom the Connecticut bank acts as  
28 agent, custodian, bailee or other person to whom a Connecticut bank  
29 owes a duty or obligation under a trust or other account administered  
30 by such Connecticut bank, regardless of whether such Connecticut  
31 bank owes a fiduciary duty to the person;

32 [(8)] (9) "Club deposit" means deposits to be received at regular  
33 intervals, the whole amount deposited to be withdrawn by the owner  
34 or repaid by the bank in not more than fifteen months from the date of  
35 the first deposit, and upon which no interest or dividends need to be  
36 paid;

37 [(9)] (10) "Commissioner" means the Banking Commissioner and,  
38 with respect to any function of the commissioner, includes any person  
39 authorized or designated by the commissioner to carry out that  
40 function;

41 [(10)] (11) "Company" means any corporation, joint stock company,  
42 trust, association, partnership, limited partnership, unincorporated  
43 organization, limited liability company or similar organization, but

44 does not include (A) any corporation the majority of the shares of  
45 which are owned by the United States or by any state, or (B) any trust  
46 which by its terms must terminate within twenty-five years or not later  
47 than twenty-one years and ten months after the death of beneficiaries  
48 living on the effective date of the trust;

49 [(11)] (12) "Connecticut bank" means a bank and trust company,  
50 savings bank or savings and loan association chartered or organized  
51 under the laws of this state;

52 [(12)] (13) "Connecticut credit union" means a cooperative, nonprofit  
53 financial institution that (A) is organized under chapter 667 and the  
54 membership of which is limited as provided in section 36a-438a, as  
55 amended, (B) operates for the benefit and general welfare of its  
56 members with the earnings, benefits or services offered being  
57 distributed to or retained for its members, and (C) is governed by a  
58 volunteer board of directors elected by and from its membership;

59 [(13)] (14) "Connecticut credit union service organization" means a  
60 credit union service organization that is incorporated under the laws of  
61 this state, located in this state and established by at least one  
62 Connecticut credit union;

63 [(14)] (15) "Consolidation" means a combination of two or more  
64 institutions into a new institution; all institutions party to the  
65 consolidation, other than the new institution, are "constituent"  
66 institutions; the new institution is the "resulting" institution;

67 [(15)] (16) "Control" has the meaning given to that term in 12 USC  
68 Section 1841(a), as from time to time amended;

69 [(16)] (17) "Credit union service organization" means an entity  
70 organized under state or federal law to provide credit union service  
71 organization services primarily to its members, to Connecticut credit  
72 unions, federal credit unions and out-of-state credit unions other than  
73 its members, and to members of any such other credit unions;

74 [(17)] (18) "Customer" means any person using a service offered by a  
75 financial institution;

76 [(18)] (19) "Demand account" means an account into which demand  
77 deposits may be made;

78 [(19)] (20) "Demand deposit" means a deposit that is payable on  
79 demand, a deposit issued with an original maturity or required notice  
80 period of less than seven days or a deposit representing funds for  
81 which the bank does not reserve the right to require at least seven  
82 days' written notice of the intended withdrawal, but does not include  
83 any time deposit;

84 [(20)] (21) "Deposit" means funds deposited with a depository;

85 [(21)] (22) "Deposit account" means an account into which deposits  
86 may be made;

87 [(22)] (23) "Depositor" includes a member of a mutual savings and  
88 loan association;

89 [(23)] (24) "Director" means a member of the governing board of a  
90 financial institution;

91 [(24)] (25) "Equity capital" means the excess of a Connecticut bank's  
92 total assets over its total liabilities, as defined in the instructions of the  
93 federal Financial Institutions Examination Council for consolidated  
94 reports of condition and income;

95 [(25)] (26) "Executive officer" means every officer of a Connecticut  
96 bank who participates or has authority to participate, otherwise than in  
97 the capacity of a director, in major policy-making functions of such  
98 bank, regardless of whether such officer has an official title or whether  
99 that title contains a designation of assistant and regardless of whether  
100 such officer is serving without salary or other compensation. The  
101 president, vice president, secretary and treasurer of such bank are  
102 deemed to be executive officers, unless, by resolution of the governing

103 board or by such bank's bylaws, any such officer is excluded from  
104 participation in major policy-making functions, otherwise than in the  
105 capacity of a director of such bank, and such officer does not actually  
106 participate in such policy-making functions;

107 [(26)] (27) "Federal agency" has the meaning given to that term in 12  
108 USC Section 3101, as from time to time amended;

109 [(27)] (28) "Federal bank" means a national banking association,  
110 federal savings bank or federal savings and loan association having its  
111 principal office in this state;

112 [(28)] (29) "Federal branch" has the meaning given to that term in 12  
113 USC Section 3101, as from time to time amended;

114 [(29)] (30) "Federal credit union" means any institution chartered or  
115 organized as a federal credit union pursuant to the laws of the United  
116 States having its principal office in this state;

117 [(30)] (31) "Fiduciary" means a person undertaking to act alone or  
118 jointly with others primarily for the benefit of another or others in all  
119 matters connected with its undertaking and includes a person acting in  
120 the capacity of trustee, executor, administrator, guardian, assignee,  
121 receiver, conservator, agent, custodian under the Connecticut Uniform  
122 Gifts to Minors Act or the Uniform Transfers to Minors Act, and acting  
123 in any other similar capacity;

124 [(31)] (32) "Financial institution" means any Connecticut bank,  
125 Connecticut credit union, or other person whose activities in this state  
126 are subject to the supervision of the commissioner, but does not  
127 include a person whose activities are subject to the supervision of the  
128 commissioner solely pursuant to chapter 672a, 672b or 672c or any  
129 combination thereof;

130 [(32)] (33) "Foreign bank" has the meaning given to that term in 12  
131 USC Section 3101, as from time to time amended;

132     [(33)] (34) "Foreign country" means any country other than the  
133     United States and includes any colony, dependency or possession of  
134     any such country;

135     [(34)] (35) "Governing board" means the group of persons vested  
136     with the management of the affairs of a financial institution  
137     irrespective of the name by which such group is designated;

138     [(35)] (36) "Holding company" means a bank holding company or a  
139     savings and loan holding company, except, as used in sections 36a-180  
140     to 36a-191, inclusive, "holding company" means a company that  
141     controls a bank;

142     [(36)] (37) "Insured depository institution" has the meaning given to  
143     that term in 12 USC Section 1813, as from time to time amended;

144     [(37)] (38) "Licensee" means any person who is licensed or required  
145     to be licensed pursuant to the applicable provisions of this title;

146     [(38)] (39) "Loan" includes any line of credit or other extension of  
147     credit;

148     [(39)] (40) "Merger" means the combination of one or more  
149     institutions with another which continues its corporate existence; all  
150     institutions party to the merger are "constituent" institutions; the  
151     merging institution which upon the merger continues its existence is  
152     the "resulting" institution;

153     [(40)] (41) "Mutual" when used in conjunction with any institution  
154     that is a bank or out-of-state bank means any such institution without  
155     capital stock;

156     [(41)] (42) "Mutual holding company" means a mutual holding  
157     company organized under sections 36a-192 to 36a-199, inclusive, and  
158     unless otherwise indicated, a subsidiary holding company controlled  
159     by a mutual holding company organized under sections 36a-192 to  
160     36a-199, inclusive;

161        [(42)] (43) "Out-of-state" includes any state other than Connecticut  
162 and any foreign country;

163        [(43)] (44) "Out-of-state bank" means any institution that engages in  
164 the business of banking, but does not include a bank, Connecticut  
165 credit union, federal credit union or out-of-state credit union;

166        [(44)] (45) "Out-of-state credit union" means any credit union other  
167 than a Connecticut credit union or a federal credit union;

168        [(45)] (46) "Out-of-state trust company" means any company  
169 chartered to act as a fiduciary but does not include a company  
170 chartered under the laws of this state, a bank, an out-of-state bank, a  
171 Connecticut credit union, a federal credit union or an out-of-state  
172 credit union;

173        [(46)] (47) "Person" means an individual, company, including a  
174 company described in subparagraphs (A) and (B) of subdivision (10) of  
175 this section, or any other legal entity, including a federal, state or  
176 municipal government or agency or any political subdivision thereof;

177        [(47)] (48) "Point of sale terminal" means a device located in a  
178 commercial establishment at which sales transactions can be charged  
179 directly to the buyer's deposit, loan or credit account, but at which  
180 deposit transactions cannot be conducted;

181        [(48)] (49) "Reorganized savings bank" means any savings bank  
182 incorporated and organized in accordance with sections 36a-192 and  
183 36a-193, as amended by this act;

184        [(49)] (50) "Reorganized savings and loan association" means any  
185 savings and loan association incorporated and organized in  
186 accordance with sections 36a-192 and 36a-193, as amended by this act;

187        [(50)] (51) "Reorganized savings institution" means any reorganized  
188 savings bank or reorganized savings and loan association;

189 [(51)] (52) "Representative office" has the meaning given to that term  
190 in 12 USC Section 3101, as from time to time amended;

191 [(52)] (53) "Reserves for loan and lease losses" means the amounts  
192 reserved by a Connecticut bank against possible loan and lease losses  
193 as shown on the bank's consolidated reports of condition and income;

194 (54) "Retail deposits" means any deposits made by individuals who  
195 are not "accredited investors", as defined in 17 CFR Section 230.501(a);

196 [(53)] (55) "Satellite device" means an automated teller machine  
197 which is not part of an office of the bank, Connecticut credit union or  
198 federal credit union which has established such machine;

199 [(54)] (56) "Savings account" means a deposit account, other than an  
200 escrow account established pursuant to section 49-2a, into which  
201 savings deposits may be made and which account must be evidenced  
202 by periodic statements delivered at least semiannually or by a  
203 passbook;

204 [(55)] (57) "Savings and loan association" means an institution  
205 chartered or organized under the laws of this state as a savings and  
206 loan association;

207 [(56)] (58) "Savings bank" means an institution chartered or  
208 organized under the laws of this state as a savings bank;

209 [(57)] (59) "Savings deposit" means any deposit other than a demand  
210 deposit or time deposit on which interest or a dividend is paid  
211 periodically;

212 [(58)] (60) "Savings and loan holding company" has the meaning  
213 given to that term in 12 USC Section 1467a, as from time to time  
214 amended;

215 [(59)] (61) "Share account holder" means a person who maintains a  
216 share account in a Connecticut credit union, federal credit union or

217 out-of-state credit union that maintains in this state a branch, as  
218 defined in section 36a-435b, as amended;

219 [(60)] (62) "State" means any state of the United States, the District of  
220 Columbia, any territory of the United States, Puerto Rico, Guam,  
221 American Samoa, the trust territory of the Pacific Islands, the Virgin  
222 Islands and the Northern Mariana Islands;

223 [(61)] (63) "State agency" has the meaning given to that term in 12  
224 USC Section 3101, as from time to time amended;

225 [(62)] (64) "State branch" has the meaning given to that term in 12  
226 USC Section 3101, as from time to time amended;

227 [(63)] (65) "Subsidiary" has the meaning given to that term in 12  
228 USC Section 1841(d), as from time to time amended;

229 [(64)] (66) "Subsidiary holding company" means a stock holding  
230 company, controlled by a mutual holding company, that holds one  
231 hundred per cent of the stock of a reorganized savings institution;

232 [(65)] (67) "Supervisory agency" means: (A) The commissioner; (B)  
233 the Federal Deposit Insurance Corporation; (C) the Resolution Trust  
234 Corporation; (D) the Office of Thrift Supervision; (E) the National  
235 Credit Union Administration; (F) the Board of Governors of the  
236 Federal Reserve System; (G) the United States Comptroller of the  
237 Currency; and (H) any successor to any of the foregoing agencies or  
238 individuals;

239 [(66)] (68) "Time account" means an account into which time  
240 deposits may be made; [and]

241 [(67)] (69) "Time deposit" means a deposit that the depositor or  
242 share account holder does not have a right and is not permitted to  
243 make withdrawals from within six days after the date of deposit,  
244 unless the deposit is subject to an early withdrawal penalty of at least  
245 seven days' simple interest on amounts withdrawn within the first six

246 days after deposit, subject to those exceptions permissible under 12  
247 CFR Part 204, as from time to time amended;

248 (70) "Trust bank" means a Connecticut bank organized to function  
249 solely in a fiduciary capacity; and

250 (71) "Uninsured bank" means a Connecticut bank that does not  
251 accept retail deposits and for which insurance of deposits by the  
252 Federal Deposit Insurance Corporation or its successor agency is not  
253 required.

254 Sec. 2. Section 36a-3 of the general statutes, as amended by section 2  
255 of public act 03-196 and section 1 of public act 03-259, is repealed and  
256 the following is substituted in lieu thereof (*Effective from passage*):

257 Other definitions applying to this title or to specified parts thereof  
258 and the sections in which they appear are:

- T1 "Account". Sections 36a-155 and 36a-365.
- T2 "Additional proceeds". Section 36a-746e.
- T3 "Administrative expense". Section 26 of this act.
- T4 "Advance fee". Sections 36a-485, 36a-510 and 36a-615.
- T5 "Advertise" or "advertisement". Sections 36a-485 and 36a-510.
- T6 "Agency bank". Section 36a-285.
- T7 "Alternative mortgage loan". Section 36a-265.
- T8 "Amount financed". Section 36a-690.
- T9 "Annual percentage rate". Section 36a-690.
- T10 "Annual percentage yield". Section 36a-316, as amended by this act.
- T11 "Annuities". Section 36a-455a, as amended by this act.
- T12 "Applicant". Section 36a-736.
- T13 "APR". Section 36a-746a.
- T14 "Assessment area". Section 36a-37.
- T15 "Assets". Section 36a-70, as amended by this act.
- T16 "Associate". Section 36a-184.

- T17 "Associated member". Section 36a-458a, as amended.
- T18 "Bank". Section 36a-30.
- T19 "Bankers' bank". Section 36a-70, as amended by this act.
- T20 "Banking business". Section 36a-425.
- T21 "Basic services". Section 36a-437a, as amended by this act.
- T22 "Billing cycle". Section 36a-565.
- T23 "Bona fide nonprofit organization". Section 36a-655.
- T24 "Branch". Sections 36a-145, as amended, 36a-410 and 36a-435b, as amended.
- T25 amended.
- T26 "Branch or agency net payment entitlement". Section 36a-428n, as amended.
- T27 amended.
- T28 "Branch or agency net payment obligation". Section 36a-428n, as amended.
- T29 amended.
- T30 "Broker". Section 36a-746a.
- T31 "Business and industrial development corporation". Section 36a-626.
- T32 "Business and property in this state". Section 36a-428n, as amended.
- T33 "Capital". Section 36a-435b, as amended.
- T34 "Cash advance". Section 36a-564.
- T35 "Cash price". Section 36a-770, as amended.
- T36 "Certificate of incorporation". Section 36a-435b, as amended.
- T37 "Closely related activities". Sections 36a-250, as amended by this act,  
T38 and 36a-455a, as amended by this act.
- T39 "Collective managing agency account". Section 36a-365.
- T40 "Commercial vehicle". Section 36a-770, as amended.
- T41 "Community bank". Section 36a-70, as amended by this act.
- T42 "Community credit union". Section 36a-37.
- T43 "Community development bank". Section 36a-70, as amended by  
T44 this act.
- T45 "Community reinvestment performance". Section 36a-37.
- T46 "Connecticut holding company". Sections 36a-53, as amended, and  
T47 36a-410.
- T48 "Consolidate". Section 36a-145, as amended.
- T49 "Construction loan". Section 36a-458a, as amended.
- T50 "Consumer". Sections 36a-155, 36a-676 and 36a-695.

- T51 "Consumer Credit Protection Act". Section 36a-676.
- T52 "Consumer debtor" and "debtor". Sections 36a-645 and 36a-800, as
- T53 amended.
- T54 "Consumer collection agency". Section 36a-800, as amended.
- T55 "Consummation". Section 36a-746a.
- T56 "Controlling interest". Section 36a-276.
- T57 "Corporate". Section 36a-435b, as amended.
- T58 "Credit". Sections 36a-645 and 36a-676.
- T59 "Credit manager". Section 36a-435b, as amended.
- T60 "Creditor". Sections 36a-676, 36a-695 and 36a-800, as amended.
- T61 "Credit card", "cardholder" and "card issuer". Section 36a-676.
- T62 "Credit clinic". Section 36a-695.
- T63 "Credit rating agency". Section 36a-695.
- T64 "Credit report". Section 36a-695.
- T65 "Credit sale". Section 36a-676.
- T66 "Credit union service organization". Section 36a-435b, as amended.
- T67 "Credit union service organization services". Section 36a-435b, as
- T68 amended.
- T69 "De novo branch". Section 36a-410.
- T70 "Debt". Section 36a-645.
- T71 "Debt adjustment". Section 36a-655.
- T72 "Debt mutual fund". Sections 36a-275 and 36a-459a, as amended.
- T73 "Debt securities". Sections 36a-275 and 36a-459a, as amended.
- T74 "Debtor". Section 36a-655.
- T75 "Deliver". Section 36a-316, as amended by this act.
- T76 "Deposit". Section 36a-316, as amended by this act.
- T77 "Deposit account". Section 36a-316, as amended by this act.
- T78 "Deposit account charge". Section 36a-316, as amended by this act.
- T79 "Deposit account disclosures". Section 36a-316, as amended by this
- T80 act.
- T81 "Deposit contract". Section 36a-316, as amended by this act.
- T82 "Deposit services". Section 36a-425.
- T83 "Depositor". Section 36a-316, as amended by this act.
- T84 "Director". Section 36a-435b, as amended.

- T85 "Earning period". Section 36a-316, as amended by this act.
- T86 "Electronic payment instrument". Section 36a-596, as amended by.
- T87 this act.
- T88 "Eligible collateral". Section 36a-330.
- T89 "Equity mutual fund". Sections 36a-276 and 36a-459a, as amended.
- T90 "Equity security". Sections 36a-276 and 36a-459a, as amended.
- T91 "Executive officer". Sections 36a-263, as amended, and 36a-469c, as
- T92 amended.
- T93 "Federal Credit Union Act". Section 36a-435b, as amended.
- T94 "Federal Home Mortgage Disclosure Act". Section 36a-736.
- T95 "Fiduciary". Section 36a-365.
- T96 "Filing fee". Section 36a-770, as amended.
- T97 "Finance charge". Sections 36a-690 and 36a-770, as amended.
- T98 "Financial institution". Sections 36a-41, 36a-44a, as amended,
- T99 36a-155, 36a-316, as amended by this act, 36a-330, 36a-435b, as
- T100 amended, and 36a-736.
- T101 "Financial records". Section 36a-41.
- T102 "First mortgage broker". Section 36a-485.
- T103 "First mortgage correspondent lender". Section 36a-485.
- T104 "First mortgage lender". Section 36a-485.
- T105 "First mortgage loan". Sections 36a-485, 36a-705 and 36a-715.
- T106 "Foreign banking corporation". Section 36a-425.
- T107 "General facility". Section 36a-580.
- T108 "Global net payment entitlement". Section 36a-428n, as amended.
- T109 "Global net payment obligation". Section 36a-428n, as amended.
- T110 "Goods". Sections 36a-535 and 36a-770, as amended.
- T111 "Graduated payment mortgage loan". Section 36a-265.
- T112 "Guardian". Section 36a-365.
- T113 "High cost home loan". Section 36a-746a.
- T114 "Holder". Section 36a-596, as amended by this act.
- T115 "Home banking services". Section 36a-170.
- T116 "Home banking terminal". Section 36a-170.
- T117 "Home improvement loan". Section 36a-736.
- T118 "Home purchase loan". Section 36a-736.

- T119 "Home state". Section 36a-410.
- T120 "Immediate family member". Section 36a-435b, as amended.
- T121 "Insider". Section 36a-454b, as amended.
- T122 "Installment loan contract". Sections 36a-535 and 36a-770, as
- T123 amended.
- T124 "Insurance". Section 36a-455a, as amended by this act.
- T125 "Insurance bank". Section 36a-285.
- T126 "Insurance department". Section 36a-285.
- T127 "Interest". Section 36a-316, as amended by this act.
- T128 "Interest rate". Section 36a-316, as amended by this act.
- T129 "Lender". Sections 36a-746a and 36a-770, as amended.
- T130 "Lessor". Section 36a-676.
- T131 "License". Section 36a-626.
- T132 "Licensee". Sections 36a-510, 36a-596, as amended by this act, and
- T133 36a-626.
- T134 "Limited branch". Section 36a-145, as amended.
- T135 "Limited facility". Section 36a-580.
- T136 "Loan broker". Section 36a-615.
- T137 "Loss". Section 36a-330.
- T138 "Made in this state". Section 36a-770, as amended.
- T139 "Managing agent". Section 36a-365.
- T140 "Manufactured home". Section 36a-457b, as amended.
- T141 "Material litigation". Section 36a-596, as amended by this act.
- T142 "Member". Section 36a-435b, as amended.
- T143 "Member business loan". Section 36a-458a, as amended.
- T144 "Member in good standing". Section 36a-435b, as amended.
- T145 "Membership share". Section 36a-435b, as amended.
- T146 "Mobile branch". Section 36a-435b, as amended.
- T147 "Money order". Section 36a-596, as amended by this act.
- T148 "Money transmission". Section 36a-365.
- T149 "Mortgage insurance". Section 36a-725.
- T150 "Mortgage lender". Sections 36a-485, 36a-510 and 36a-705.
- T151 "Mortgage loan". Sections 36a-261, 36a-265 and 36a-457b, as
- T152 amended.

- T153 "Mortgage rate lock-in". Section 36a-705.
- T154 "Mortgage servicing company". Section 36a-715.
- T155 "Mortgagor". Section 36a-715.
- T156 "Motor vehicle". Section 36a-770, as amended.
- T157 "Multiple common bond membership". Section 36a-435b, as
- T158 amended.
- T159 "Municipality". Section 36a-800, as amended.
- T160 "Net outstanding member business loan balance". Section 36a-458a,
- T161 as amended.
- T162 "Net worth". Sections 36a-441a, as amended, 36a-458a, as amended,
- T163 and 36a-596, as amended by this act.
- T164 "Network". Section 36a-155.
- T165 "Nonrefundable". Sections 36a-498 and 36a-521, as amended.
- T166 "Note account". Sections 36a-301 and 36a-456b.
- T167 "Office". Section 36a-316, as amended by this act.
- T168 "Officer". Section 36a-435b, as amended.
- T169 "Open-end credit plan". Section 36a-676.
- T170 "Open-end loan". Section 36a-565.
- T171 "Organization". Section 36a-800, as amended.
- T172 "Originator". Sections 36a-485 and 36a-510.
- T173 "Out-of-state holding company". Section 36a-410.
- T174 "Outstanding". Section 36a-596, as amended by this act.
- T175 "Passbook savings account". Section 36a-316, as amended by this.
- T176 act.
- T177 "Payment instrument". Section 36a-596, as amended by this act.
- T178 "Periodic statement". Section 36a-316, as amended by this act.
- T179 "Permissible investment". Section 36a-596, as amended by this act.
- T180 "Person". Section 36a-184.
- T181 "Post". Section 36a-316, as amended by this act.
- T182 "Prepaid finance charge". Section 36a-746a.
- T183 "Prepayment penalty". Section 36a-746a.
- T184 "Prime quality". Section 36a-596, as amended by this act.
- T185 "Principal amount of the loan". Section 36a-510.
- T186 "Processor". Section 36a-155.

- T187 "Public deposit". Section 36a-330.
- T188 "Purchaser". Section 36a-596, as amended by this act.
- T189 "Qualified financial contract". Section 36a-428n, as amended.
- T190 "Qualified public depository" and "depository". Section 36a-330.
- T191 "Real estate". Section 36a-457b, as amended.
- T192 "Records". Section 36a-17.
- T193 "Related person". Section 36a-53, as amended.
- T194 "Relocate". Sections 36a-145, as amended, and 36a-462a, as amended.
- T195
- T196 "Residential property". Section 36a-485.
- T197 "Retail buyer". Sections 36a-535 and 36a-770, as amended.
- T198 "Retail credit transaction". Section 42-100b.
- T199 ["Retail deposits". Section 36a-70.]
- T200 "Retail installment contract". Sections 36a-535 and 36a-770, as
- T201 amended.
- T202 "Retail installment sale". Sections 36a-535 and 36a-770, as amended.
- T203 "Retail seller". Sections 36a-535 and 36a-770, as amended.
- T204 "Reverse annuity mortgage loan". Section 36a-265.
- T205 "Sales finance company". Sections 36a-535 and 36a-770, as amended.
- T206 "Savings department". Section 36a-285.
- T207 "Savings deposit". Section 36a-316, as amended by this act.
- T208 "Secondary mortgage broker". Section 36a-510.
- T209 "Secondary mortgage correspondent lender". Section 36a-510.
- T210 "Secondary mortgage lender". Section 36a-510.
- T211 "Secondary mortgage loan". Section 36a-510.
- T212 "Security convertible into a voting security". Section 36a-184.
- T213 "Senior management". Section 36a-435b, as amended.
- T214 "Share". Section 36a-435b, as amended.
- T215 "Simulated check". Sections 36a-485 and 36a-510.
- T216 "Single common bond membership". Section 36a-435b, as amended.
- T217 "Social purpose investment". Section 36a-277.
- T218 "Standard mortgage loan". Section 36a-265.
- T219 "Table funding agreement". Section 36a-485.
- T220 "Tax and loan account". Sections 36a-301 and 36a-456b.

- T221 "The Savings Bank Life Insurance Company". Section 36a-285.
- T222 "Time account". Section 36a-316, as amended by this act.
- T223 "Travelers check". Section 36a-596, as amended by this act.
- T224 "Troubled Connecticut credit union". Section 36a-448a, as amended.
- T225 ["Uninsured bank". Section 36a-70.]
- T226 "Unsecured loan". Section 36a-615.
- T227 "Warehouse agreement". Section 36a-485.

259 Sec. 3. Subdivision (2) of subsection (c) of section 36a-65 of the  
260 general statutes, as amended by section 3 of public act 03-196, is  
261 repealed and the following is substituted in lieu thereof (*Effective from*  
262 *passage*):

263 (2) The fee for an examination of a [Connecticut] trust bank  
264 [organized to function solely in a fiduciary capacity] shall be the actual  
265 cost of the examination, as such cost is determined by the  
266 commissioner.

267 Sec. 4. Subdivision (1) of subsection (d) of section 36a-65 of the  
268 general statutes, as amended by section 3 of public act 03-196, is  
269 amended by adding subparagraph (L) as follows (*Effective from*  
270 *passage*):

271 (NEW) (L) Investigation and processing an interstate banking  
272 transaction application filed under sections 36a-411 or 36a-412, as  
273 amended, two thousand five hundred dollars, unless the transaction  
274 otherwise requires an investigation and processing fee under this  
275 section.

276 Sec. 5. Section 36a-70 of the general statutes, as amended by section  
277 80 of public act 03-19 and section 7 of public act 03-259, is repealed and  
278 the following is substituted in lieu thereof (*Effective from passage*):

279 (a) One or more persons may organize a Connecticut bank.

280 (b) Except as otherwise provided in this section, any such

281 Connecticut bank shall commence business with a minimum equity  
282 capital of at least five million dollars. Any [Connecticut] trust bank  
283 [organized to function solely in a fiduciary capacity] shall commence  
284 business with a minimum equity capital of at least two million dollars.  
285 Such equity capital shall be paid for in cash before any Connecticut  
286 bank commences business. For purposes of this section,  
287 nonwithdrawable accounts and pledged deposits of mutual savings  
288 banks and mutual savings and loan associations shall constitute capital  
289 of such mutual banks and associations to the extent that such accounts  
290 or deposits have no fixed maturity date, cannot be withdrawn at the  
291 option of the account holders and do not earn interest that carries over  
292 to subsequent periods.

293 (c) The person or persons organizing a Connecticut bank shall  
294 execute, acknowledge and file with the commissioner an application to  
295 organize. Such application to organize shall include: (1) A proposed  
296 certificate of incorporation stating: (A) The name and type of the  
297 Connecticut bank; (B) the town in which the main office is to be  
298 located; (C) in the case of a capital stock Connecticut bank, the amount,  
299 authorized number and par value, if any, of shares of its capital stock;  
300 (D) the minimum amount of equity capital with which the Connecticut  
301 bank shall commence business, which amount may be less than its  
302 authorized capital but shall not be less than that required by  
303 subsection (b) of this section; (E) the name, occupation and residence,  
304 post office or business address of each organizer and prospective  
305 initial director of the Connecticut bank; and (2) a proposed business  
306 plan. The organizers shall separately file with the commissioner a  
307 notice of the residence of each organizer and prospective initial  
308 director whose residence address is not included in the proposed  
309 certificate of incorporation. In connection with an application to  
310 organize a Connecticut bank, the commissioner may, in the  
311 commissioner's discretion, and in accordance with section 29-17a,  
312 arrange for the fingerprinting or for conducting any other method of  
313 positive identification required by the State Police Bureau of  
314 Investigation of each organizer and prospective initial director, to be

315 used in conducting a criminal history records check.

316 (d) Within twenty days after receipt of the application to organize,  
317 the commissioner shall order, at the expense of the organizers, an  
318 independent feasibility study and an independent three-year financial  
319 forecast prepared by a certified public accounting firm or other  
320 professional firm designated by the commissioner.

321 (e) Upon receipt of the feasibility study and financial forecast  
322 required by subsection (d) of this section, the commissioner shall issue  
323 an order designating a time and place for a hearing on the application.  
324 Such hearing shall be held in accordance with chapter 54 not more  
325 than thirty days from receipt of such feasibility study and financial  
326 forecast. A copy of such feasibility study and financial forecast shall be  
327 made available to the organizers. Any exhibit or documentation  
328 submitted to the commissioner by the organizers at the time of filing or  
329 by the preparer or preparers of the feasibility study and financial  
330 forecast, other than financial statements and biographical information  
331 relating to the individual organizers, shall be available for public  
332 inspection prior to such hearing unless the commissioner determines  
333 that good cause exists to keep any such exhibit or documentation  
334 confidential.

335 (f) The organizers shall cause to be published a copy of the  
336 proposed certificate of incorporation and the time and place set for the  
337 hearing once a week for three consecutive weeks prior to the date of  
338 the hearing, in a newspaper designated by the commissioner  
339 published in the town where the main office of the Connecticut bank is  
340 to be located or, if there is no newspaper published in such town, in a  
341 newspaper having a circulation therein; and a like copy sent by  
342 registered or certified mail, return receipt requested, to each bank and  
343 out-of-state bank having its main office or a branch in such town, not  
344 less than twenty days prior to the hearing.

345 (g) For applications to organize bank and trust companies and  
346 capital stock savings banks, the commissioner shall notify the State

347 Treasurer and State Comptroller of the time and place of the hearing.

348 (h) (1) The approving authority shall consider the following factors  
349 before granting a temporary certificate of authority: (A) The  
350 population of the area to be served by the proposed Connecticut bank;  
351 (B) the adequacy of existing banking facilities in the area to be served  
352 by the proposed Connecticut bank; (C) the convenience and necessity  
353 to the public of the proposed facilities; and (D) the character and  
354 experience of the proposed directors and officers. (2) The application  
355 shall be approved if the approving authority determines: (A) That the  
356 interest of the public will be served to advantage by the establishment  
357 of the proposed Connecticut bank; (B) that conditions in the locality in  
358 which the proposed bank will transact business afford reasonable  
359 promise of successful operation; and (C) that the proposed directors  
360 possess capacity and fitness for the duties and responsibilities with  
361 which they will be charged. (3) Except as otherwise provided in  
362 subsections (p), (q), (r), (s) and (t) of this section, the approving  
363 authority shall be, in the case of an application to organize a bank and  
364 trust company or a capital stock savings bank, a majority of the  
365 commissioner, State Treasurer, and State Comptroller, and, in the case  
366 of an application to organize a mutual savings bank or a mutual or  
367 capital stock savings and loan association, the commissioner acting  
368 alone.

369 (i) If the application is approved by the approving authority, a  
370 temporary certificate of authority, valid for eighteen months, shall be  
371 issued to the organizers authorizing them to complete the organization  
372 of the Connecticut bank. The organizers shall thereupon file one copy  
373 of the temporary certificate of authority and one copy of the certificate  
374 of incorporation with the Secretary of the State. The commissioner  
375 may, upon the application of the organizers and after a hearing  
376 thereon, extend, for cause, the period for which the temporary  
377 certificate of authority is valid.

378 (j) If the application is not approved by the approving authority, the

379 approving authority shall, in writing, so notify the organizers. An  
380 appeal from the decision approving or disapproving the application  
381 may be taken in accordance with chapter 54.

382 (k) (1) Prior to the issuance of a final certificate of authority, the  
383 organizers may (A) with the approval of the commissioner, amend the  
384 proposed certificate of incorporation to change (i) the name or the type  
385 of the Connecticut bank, (ii) the town in which the main office of the  
386 Connecticut bank is to be located, (iii) in the case of a capital stock  
387 Connecticut bank, the amount, authorized number and par value, if  
388 any, of shares of its capital stock, or (iv) the name of an organizer or  
389 prospective initial director of the Connecticut bank; (B) with the  
390 approval of the approving authority, amend a material provision of  
391 the proposed business plan, or amend the proposed certificate of  
392 incorporation to change the minimum amount of equity capital with  
393 which the Connecticut bank shall commence business, which amount  
394 may be less than its authorized capital but not less than that required  
395 by subsection (b) of this section; or (C) file notice with the  
396 commissioner to amend the proposed certificate of incorporation to  
397 change the occupation or residence, post office or business address of  
398 any organizer or prospective initial director of the Connecticut bank.

399 (2) Upon receipt of an application to change the name of a  
400 Connecticut bank under subparagraph (A)(i) of subdivision (1) of this  
401 subsection, the commissioner shall cause notice of the filing of such  
402 application to be published in the department's weekly bulletin. The  
403 notice shall state that written objections to such application may be  
404 made, for a period of thirty days from the date of publication of the  
405 bulletin, on the grounds that the name selected will tend to confuse the  
406 public. If, in the opinion of the commissioner, the name selected by the  
407 organizers will not tend to confuse the public and if no objection is  
408 filed, the commissioner shall approve such change of name. If, in the  
409 opinion of the commissioner, the name selected will tend to confuse  
410 the public or if an objection is filed, the commissioner shall order a  
411 hearing to be held not less than twenty or more than thirty days from

412 the date originally set for the filing of objections to the application for  
413 change of name, and notice of such hearing shall be published in the  
414 department's weekly bulletin at least fourteen days prior to the  
415 hearing. At the hearing, the commissioner shall hear all persons  
416 desiring to be heard and shall make a ruling within fifteen days.

417 (3) The organizers shall file with the Secretary of the State any  
418 approval issued pursuant to this subsection, and the approved  
419 amendment shall become effective upon such filing. In the case of an  
420 amendment notice pursuant to subparagraph (C) of subdivision (1) of  
421 this subsection, the organizers shall file such amendment with the  
422 Secretary of the State, and such amendment shall become effective  
423 upon such filing.

424 (l) The approving authority shall cause to be made an examination  
425 of the proposed Connecticut bank upon notice from the organizers that  
426 the following conditions have occurred: (1) The proposed bank has  
427 been fully organized according to law; (2) the State Treasurer has been  
428 paid the franchise tax and filing fee specified in subsection (o) of this  
429 section; (3) the proposed bank has raised the minimum equity capital  
430 required; and (4) in the case of a proposed capital stock Connecticut  
431 bank, a certified list of each subscriber who will own at least five per  
432 cent of any class of voting securities of the proposed bank, showing the  
433 number of shares owned by each, has been filed with the  
434 commissioner. If all provisions of law have been complied with, a final  
435 certificate of authority to commence the business for which the bank  
436 was organized shall be issued by the approving authority. One copy of  
437 the final certificate shall be filed with the Secretary of the State, one  
438 copy shall be retained by the bank, and one copy shall be retained by  
439 the commissioner.

440 (m) The reasonable charges and expenses of organization or  
441 reorganization of a capital stock Connecticut bank, and the reasonable  
442 expenses of any compensation or discount for the sale, underwriting or  
443 purchase of its shares, may be paid or allowed by such bank out of the

444 par value received by it for its shares, or in the case of shares without  
445 par value, out of the stated capital received by it for its shares, without  
446 rendering such shares not fully paid and nonassessable.

447 (n) The Connecticut bank shall not commence business until: [a] (1)  
448 A final certificate of authority has been issued in accordance with  
449 subsection (l) of this section, [and,] (2) except in the case of a  
450 [Connecticut bank organized to function solely in a fiduciary capacity]  
451 trust bank, an interim Connecticut bank organized pursuant to  
452 subsection (p) of this section, or an uninsured bank organized  
453 pursuant to subsection (t) of this section, until its insurable accounts or  
454 deposits are insured by the Federal Deposit Insurance Corporation or  
455 its successor agency, and (3) it has complied with the requirements of  
456 subsection (u) of this section, if applicable. The acceptance of  
457 subscriptions for deposits by a mutual savings bank or mutual savings  
458 and loan association as may be necessary to obtain insurance by the  
459 Federal Deposit Insurance Corporation or its successor agency shall  
460 not be considered to be commencing business. No Connecticut bank  
461 other than a [Connecticut bank organized to function solely in a  
462 fiduciary capacity] trust bank may exercise any of the fiduciary powers  
463 granted to Connecticut banks by law until express authority therefor  
464 has been given by the commissioner.

465 (o) Prior to the issuance of a final certificate of authority to  
466 commence business in accordance with subsection (l) of this section,  
467 the Connecticut bank shall pay to the State Treasurer a franchise tax,  
468 together with a filing fee of twenty dollars for the required papers. The  
469 franchise tax for a mutual savings bank and mutual savings and loan  
470 association shall be thirty dollars. The franchise tax for all capital stock  
471 Connecticut banks shall be one cent per share [of the authorized capital  
472 stock] up to and including the first ten thousand shares, one-half cent  
473 per share for each authorized share in excess of ten thousand shares up  
474 to an including one hundred thousand shares, one-quarter cent per  
475 share for each authorized share in excess of one hundred thousand  
476 shares up to and including one million shares and one-fifth cent per

477 share for each authorized share in excess of one million shares.

478 (p) One or more persons may organize an interim Connecticut bank  
479 solely (1) for the acquisition of an existing bank, whether by  
480 acquisition of stock, by acquisition of assets, or by merger or  
481 consolidation, or (2) to facilitate any other corporate transaction  
482 authorized by this title in which the commissioner has determined that  
483 such transaction has adequate regulatory supervision to justify the  
484 organization of an interim Connecticut bank. Such interim Connecticut  
485 bank shall not accept deposits or otherwise commence business.  
486 Subdivision (2) of subsection (c) and subsections (d), (f), (g), (h) and (o)  
487 of this section shall not apply to the organization of an interim bank,  
488 provided the commissioner may, in the commissioner's discretion,  
489 order a hearing under subsection (e) or require that the organizers  
490 publish or mail the proposed certificate of incorporation or both. The  
491 approving authority for an interim Connecticut bank shall be the  
492 commissioner acting alone. If the approving authority determines that  
493 the organization of the interim Connecticut bank complies with  
494 applicable law, the approving authority shall issue a temporary  
495 certificate of authority conditioned on the approval by the appropriate  
496 supervisory agency of the corporate transaction for which the interim  
497 Connecticut bank is formed.

498 (q) (1) As used in this subsection, "bankers' bank" means a  
499 Connecticut bank that is (A) owned exclusively by any combination of  
500 banks, out-of-state banks, Connecticut credit unions, federal credit  
501 unions, or out-of-state credit unions having their principal office in  
502 Connecticut, Maine, Massachusetts, New Hampshire, New York,  
503 Rhode Island or Vermont, and (B) organized to engage exclusively in  
504 providing services for, or that indirectly benefit, other banks,  
505 out-of-state banks, Connecticut credit unions, federal credit unions, or  
506 out-of-state credit unions and their directors, officers and employees.

507 (2) One or more persons may organize a bankers' bank in  
508 accordance with the provisions of this section, except that subsections

509 (g) and (h) of this section shall not apply. The approving authority for  
510 a bankers' bank shall be the commissioner acting alone. Before  
511 granting a temporary certificate of authority in the case of an  
512 application to organize a bankers' bank, the approving authority shall  
513 consider (A) whether the proposed bankers' bank will facilitate the  
514 provision of services that such banks, out-of-state banks, Connecticut  
515 credit unions, federal credit unions, or out-of-state credit unions would  
516 not otherwise be able to readily obtain, and (B) the character and  
517 experience of the proposed directors and officers. The application to  
518 organize a bankers' bank shall be approved if the approving authority  
519 determines that the interest of the public will be directly or indirectly  
520 served to advantage by the establishment of the proposed bankers'  
521 bank, and the proposed directors possess capacity and fitness for the  
522 duties and responsibilities with which they will be charged.

523 (3) A bankers' bank shall have all of the powers of and be subject to  
524 all of the requirements applicable to a Connecticut bank under this title  
525 which are not inconsistent with this subsection, except: (A) A bankers'  
526 bank may only provide services for, or that indirectly benefit, other  
527 banks, out-of-state banks, Connecticut credit unions, federal credit  
528 unions, or out-of-state credit unions and for the directors, officers and  
529 employees of such banks, out-of-state banks, Connecticut credit  
530 unions, federal credit unions, or out-of-state credit unions; (B) only  
531 banks, out-of-state banks, Connecticut credit unions, federal credit  
532 unions, or out-of-state credit unions having their principal office in  
533 Connecticut, Maine, Massachusetts, New Hampshire, New York,  
534 Rhode Island or Vermont may own the capital stock of or otherwise  
535 invest in a bankers' bank; (C) upon the written request of a bankers'  
536 bank, the commissioner may waive specific requirements of this title  
537 and the regulations adopted thereunder if the commissioner finds that  
538 (i) the requirement pertains primarily to banks that provide retail or  
539 consumer banking services and is inconsistent with this subsection,  
540 and (ii) the requirement may impede the ability of the bankers' bank to  
541 compete or to provide desired services to its market provided, any  
542 such waiver and the commissioner's findings shall be in writing and

543 shall be made available for public inspection; and (D) the  
544 commissioner may, by regulation, limit the powers that may be  
545 exercised by a bankers' bank.

546 (4) The commissioner may adopt regulations, in accordance with  
547 chapter 54, to administer the provisions of this subsection.

548 (r) (1) As used in this subsection and section 36a-139, "community  
549 bank" means a Connecticut bank that is organized pursuant to this  
550 subsection and is subject to the provisions of this subsection and  
551 section 36a-139.

552 (2) One or more persons may organize a community bank in  
553 accordance with the provisions of this section, except that subsection  
554 (g) of this section shall not apply. Any such community bank shall  
555 commence business with a minimum equity capital of at least three  
556 million dollars. The approving authority for a community bank shall  
557 be the commissioner acting alone. In addition to the considerations  
558 and determinations required by subsection (h) of this section, before  
559 granting a temporary certificate of authority to organize a community  
560 bank, the approving authority shall determine that (A) each of the  
561 proposed directors and proposed executive officers, as defined in  
562 subparagraph (D) of subdivision (3) of this subsection, possesses  
563 capacity and fitness for the duties and responsibilities with which such  
564 director or officer will be charged, and (B) there is satisfactory  
565 community support for the proposed community bank based on  
566 evidence of such support provided by the organizers to the approving  
567 authority. If the approving authority cannot make such determination  
568 with respect to any such proposed director or proposed executive  
569 officer, the approving authority may refuse to allow such proposed  
570 director or proposed executive officer to serve in such capacity in the  
571 proposed community bank.

572 (3) A community bank shall have all of the powers of and be subject  
573 to all of the requirements and limitations applicable to a Connecticut  
574 bank under this title which are not inconsistent with this subsection,

575 except: (A) No community bank may (i) exercise any of the fiduciary  
576 powers granted to Connecticut banks by law until express authority  
577 therefor has been given by the approving authority, (ii) establish and  
578 maintain one or more mutual funds, (iii) invest in derivative securities  
579 other than mortgage-backed securities fully guaranteed by  
580 governmental agencies or government sponsored agencies, (iv) own  
581 any real estate for the present or future use of the bank unless the  
582 approving authority finds, based on an independently prepared  
583 analysis of costs and benefits, that it would be less costly to the bank to  
584 own instead of lease such real estate, or (v) make mortgage loans  
585 secured by nonresidential real estate the aggregate amount of which, at  
586 the time of origination, exceeds ten per cent of all assets of such bank;  
587 (B) the aggregate amount of all loans made by a community bank shall  
588 not exceed eighty per cent of the total deposits held by such bank; (C)  
589 (i) the total direct or indirect liabilities of any one obligor, whether or  
590 not fully secured and however incurred, to any community bank,  
591 exclusive of such bank's investment in the investment securities of  
592 such obligor, shall not exceed at the time incurred ten per cent of the  
593 equity capital and reserves for loan and lease losses of such bank, and  
594 (ii) the limitations set forth in subsection (a) of section 36a-262, as  
595 amended, shall apply to this subparagraph; and (D) the limitations set  
596 forth in subsection (a) of section 36a-263, as amended, shall apply to all  
597 community banks, provided, a community bank may (i) make a  
598 mortgage loan to any director or executive officer secured by premises  
599 occupied or to be occupied by such director or officer as a primary  
600 residence, (ii) make an educational loan to any director or executive  
601 officer for the education of any child of such director or executive  
602 officer, and (iii) extend credit to any director or executive officer in an  
603 amount not exceeding ten thousand dollars for extensions of credit not  
604 otherwise specifically authorized in this subparagraph. The aggregate  
605 amount of all loans or extensions of credit made by a community bank  
606 pursuant to this subparagraph shall not exceed thirty-three and  
607 one-third per cent of the equity capital and reserves for loan and lease  
608 losses of such bank. As used in this subparagraph, "executive officer"

609 means every officer of a community bank who participates or has  
610 authority to participate, other than in the capacity of a director, in  
611 major policy-making functions of the bank, regardless of whether such  
612 officer has an official title or whether such officer serves without salary  
613 or other compensation. The vice president, chief financial officer,  
614 secretary and treasurer of a community bank are presumed to be  
615 executive officers unless, by resolution of the governing board or by  
616 the bank's bylaws, any such officer is excluded from participation in  
617 major policy-making functions, other than in the capacity of a director  
618 of the bank, and such officer does not actually participate in major  
619 policy-making functions.

620 (4) The audit and examination requirements set forth in section  
621 36a-86 shall apply to each community bank.

622 (5) The commissioner may adopt regulations, in accordance with  
623 chapter 54, to administer the provisions of this subsection and section  
624 36a-139.

625 (s) (1) As used in this subsection, "community development bank"  
626 means a Connecticut bank that is organized to serve the banking needs  
627 of a well-defined neighborhood, community or other geographic area  
628 as determined by the commissioner, primarily, but not exclusively, by  
629 making commercial loans in amounts of one hundred fifty thousand  
630 dollars or less to existing businesses or to persons seeking to establish  
631 businesses located within such neighborhood, community or  
632 geographic area.

633 (2) One or more persons may organize a community development  
634 bank in accordance with the provisions of this section, except that  
635 subsection (g) of this section shall not apply. The approving authority  
636 for a community development bank shall be the commissioner acting  
637 alone. Any such community development bank shall commence  
638 business with a minimum equity capital determined by the  
639 commissioner to be appropriate for the proposed activities of such  
640 bank, provided, if such proposed activities include accepting deposits,

641 such minimum equity capital shall be sufficient to enable such deposits  
642 to be insured by the Federal Deposit Insurance Corporation or its  
643 successor agency.

644 (3) The state, acting through the State Treasurer, may be the sole  
645 organizer of a community development bank or may participate with  
646 any other person or persons in the organization of any community  
647 development bank, and may own all or a part of any capital stock of  
648 such bank. No application fee shall be required under subparagraph  
649 (H) of subdivision (1) of subsection (d) of section 36a-65, as amended,  
650 and no franchise tax shall be required under subsection (o) of this  
651 section for any community development bank organized by or in  
652 participation with the state.

653 (4) In addition to the considerations and determinations required by  
654 subsection (h) of this section, before granting a temporary certificate of  
655 authority to organize a community development bank, the approving  
656 authority shall determine that (A) each of the proposed directors and  
657 proposed executive officers possesses capacity and fitness for the  
658 duties and responsibilities with which such director or officer will be  
659 charged, and (B) there is satisfactory community support for the  
660 proposed community development bank based on evidence of such  
661 support provided by the organizers to the approving authority. If the  
662 approving authority cannot make such determination with respect to  
663 any such proposed director or proposed executive officer, the  
664 approving authority may refuse to allow such proposed director or  
665 proposed executive officer to serve in such capacity in the proposed  
666 community development bank. As used in this subdivision, "executive  
667 officer" means every officer of a community development bank who  
668 participates or has authority to participate, other than in the capacity of  
669 a director, in major policy-making functions of the bank, regardless of  
670 whether such officer has an official title or whether such officer serves  
671 without salary or other compensation. The vice president, chief  
672 financial officer, secretary and treasurer of a community development  
673 bank are presumed to be executive officers unless, by resolution of the

674 governing board or by the bank's bylaws, any such officer is excluded  
675 from participation in major policy-making functions, other than in the  
676 capacity of a director of the bank, and such officer does not actually  
677 participate in major policy-making functions.

678 (5) Notwithstanding any contrary provision of this title: (A) The  
679 commissioner may limit the powers that may be exercised by a  
680 community development bank or impose conditions on the exercise by  
681 such bank of any power allowed by this title as the commissioner  
682 deems necessary in the interest of the public and for the safety and  
683 soundness of the community development bank, provided, any such  
684 limitations or conditions, or both, shall be set forth in the final  
685 certificate of authority issued in accordance with subsection (l) of this  
686 section; and (B) the commissioner may waive in writing any  
687 requirement imposed on a community development bank under this  
688 title or any regulation adopted under this title if the commissioner  
689 finds that such requirement is inconsistent with the powers that may  
690 be exercised by such community development bank under its final  
691 certificate of authority.

692 (6) The commissioner may adopt regulations, in accordance with  
693 chapter 54, to carry out the provisions of this subsection.

694 [(t) (1) As used in this subsection, "uninsured bank" means a  
695 Connecticut bank that does not accept retail deposits and for which  
696 insurance of deposits by the Federal Deposit Insurance Corporation or  
697 its successor agency is not required, and "retail deposits" means any  
698 deposits made by individuals who are not accredited investors, as  
699 defined in 17 CFR Section 230.501(a).]

700 [(2)] (t) (1) One or more persons may organize an uninsured bank in  
701 accordance with the provisions of this section, except that subsection  
702 (g) of this section shall not apply. The approving authority for an  
703 uninsured bank shall be the commissioner acting alone. Any such  
704 uninsured bank shall commence business with a minimum equity  
705 capital of at least five million dollars unless the commissioner

706 establishes a different minimum capital requirement for such  
707 uninsured bank based upon its proposed activities.

708 [(3)] (2) An uninsured bank shall have all of the powers of and be  
709 subject to all of the requirements and limitations applicable to a  
710 Connecticut bank under this title which are not inconsistent with this  
711 subsection, except no uninsured bank may accept retail deposits and,  
712 notwithstanding any provision of this title, sections 36a-30 to 36a-34,  
713 inclusive, do not apply to uninsured banks.

714 [(4)] (3) (A) An uninsured bank shall display conspicuously, at each  
715 window or other place where deposits are usually accepted, a sign  
716 stating that deposits are not insured by the Federal Deposit Insurance  
717 Corporation or its successor agency.

718 (B) An uninsured bank shall either (i) include in boldface  
719 conspicuous type on each signature card, passbook, and instrument  
720 evidencing a deposit the following statement: "This deposit is not  
721 insured by the FDIC" or (ii) require each depositor to execute a  
722 statement that acknowledges that the initial deposit and all future  
723 deposits at the uninsured bank are not insured by the Federal Deposit  
724 Insurance Corporation or its successor agency. The uninsured bank  
725 shall retain such acknowledgment as long as the depositor maintains  
726 any deposit with the uninsured bank.

727 (C) An uninsured bank shall include on all of its deposit-related  
728 advertising a conspicuous statement that deposits are not insured by  
729 the Federal Deposit Insurance Corporation or its successor agency.

730 (u) (1) Each trust bank and uninsured bank shall keep assets on  
731 deposit in the amount of at least one million dollars with such banks as  
732 the commissioner may approve, provided a trust bank or uninsured  
733 bank that received its final certificate of authority prior to the effective  
734 date of this section shall keep assets on deposit as follows: At least two  
735 hundred fifty thousand dollars no later than one year from such  
736 effective date, at least five hundred thousand dollars no later than two

737 years from such date, at least seven hundred fifty thousand dollars no  
738 later than three years from such date and at least one million dollars no  
739 later than four years from such date. No trust bank or uninsured bank  
740 shall make a deposit pursuant to this section until the bank at which  
741 the assets are to be deposited and the trust bank or uninsured bank  
742 shall have executed a deposit agreement satisfactory to the  
743 commissioner. The value of such assets shall be based upon the  
744 principal amount or market value, whichever is lower. If the  
745 commissioner determines that an asset that otherwise qualifies under  
746 this section shall be valued at less than the amount otherwise provided  
747 in this subdivision, the commissioner shall so notify the trust bank or  
748 uninsured bank, which shall thereafter value such asset as directed by  
749 the commissioner.

750 (2) As used in this subsection, "assets" means: (A) United States  
751 dollar deposits payable in the United States, other than certificates of  
752 deposit; (B) bonds, notes, debentures or other obligations of the United  
753 States or any agency or instrumentality thereof, or guaranteed by the  
754 United States, or of this state or of a county, city, town, village, school  
755 district, or instrumentality of this state or guaranteed by this state; (C)  
756 bonds, notes, debentures or other obligations issued by the Federal  
757 Home Loan Mortgage Corporation and the Federal National Mortgage  
758 Corporation; (D) commercial paper payable in dollars in the United  
759 States, provided such paper is rated in one of the three highest rating  
760 categories by a rating service recognized by the commissioner. In the  
761 event that an issue of commercial paper is rated by more than one  
762 recognized rating service, it shall be rated in one of the three highest  
763 rating categories by each such rating service; (E) negotiable certificates  
764 of deposit that are payable in the United States; (F) reserves held at a  
765 federal reserve bank; and (G) such other assets as determined by the  
766 commissioner upon written application.

767 Sec. 6. Section 36a-139a of the general statutes is repealed and the  
768 following is substituted in lieu thereof (*Effective from passage*):

769 (a) Any [Connecticut bank that is an] uninsured bank [, as defined  
770 in subsection (t) of section 36a-70, or any Connecticut bank that  
771 functions solely in a fiduciary capacity,] or any trust bank may, upon  
772 the approval of the commissioner, convert to a Connecticut bank that  
773 is authorized to accept retail deposits [, as defined in subsection (t) of  
774 section 36a-70,] and operate without the limitations provided in  
775 subdivisions [(3) and (4)] (2) and (3) of subsection (t) and subsection (u)  
776 of section 36a-70, as amended by this act, [or] and subsection (b) of  
777 section 36a-250, as amended by this act.

778 (b) The converting bank shall file with the commissioner a proposed  
779 plan of conversion, a copy of the proposed amended certificate of  
780 incorporation and a certificate by the secretary of the converting bank  
781 that the proposed plan of conversion and proposed amended  
782 certificate of incorporation have been approved in accordance with  
783 subsection (c) of this section.

784 (c) The proposed plan of conversion and proposed amended  
785 certificate of incorporation shall require the approval of a majority of  
786 the governing board of the converting bank and the favorable vote of  
787 not less than two-thirds of the holders of each class of the converting  
788 bank's capital stock, if any, or in the case of a converting mutual bank,  
789 the incorporators thereof, cast at a meeting called to consider such  
790 conversion.

791 (d) Any shareholder of a capital stock Connecticut bank that  
792 proposes to convert under this section, who, on or before the date of  
793 the shareholders' meeting to vote on such conversion, objects to the  
794 conversion by filing a written objection with the secretary of such bank  
795 may, within ten days after the effective date of such conversion, make  
796 written demand upon the bank for payment of such shareholder's  
797 stock. Any such shareholder that makes such objection and demand  
798 shall have the same rights as those of a shareholder that asserts  
799 appraisal rights with respect to the merger of two or more capital stock  
800 Connecticut banks.

801 (e) The commissioner shall approve a conversion under this section  
802 if the commissioner determines that: (1) The converting bank has  
803 complied with all applicable provisions of law; (2) the converting bank  
804 has equity capital of at least five million dollars; (3) the converting  
805 bank has received satisfactory ratings on its most recent safety and  
806 soundness examination; (4) the proposed conversion will serve the  
807 public necessity and convenience; and (5) the converting bank will  
808 provide adequate services to meet the banking needs of all community  
809 residents, including low-income residents and moderate-income  
810 residents to the extent permitted by its charter, in accordance with a  
811 plan submitted by the converting bank to the commissioner, in such  
812 form and containing such information as the commissioner may  
813 require. Upon receiving any such plan, the commissioner shall make  
814 the plan available for public inspection and comment at the  
815 Department of Banking and cause notice of its submission and  
816 availability for inspection and comment to be published in the  
817 department's weekly bulletin. With the concurrence of the  
818 commissioner, the converting bank shall publish, in the form of a legal  
819 advertisement in a newspaper having a substantial circulation in the  
820 area, notice of such plan's submission and availability for public  
821 inspection and comment. The notice shall state that the inspection and  
822 comment period will last for a period of thirty days from the date of  
823 publication. The commissioner shall not make such determination  
824 until the expiration of the thirty-day period. In making such  
825 determination, the commissioner shall, unless clearly inapplicable,  
826 consider, among other factors, whether the plan identifies specific  
827 unmet credit and consumer banking needs in the local community and  
828 specifies how such needs will be satisfied, provides for sufficient  
829 distribution of banking services among branches or satellite devices, or  
830 both, located in low-income neighborhoods, contains adequate  
831 assurances that banking services will be offered on a  
832 nondiscriminatory basis and demonstrates a commitment to extend  
833 credit for housing, small business and consumer purposes in low-  
834 income neighborhoods.

835 (f) After receipt of the commissioner's approval, the converting bank  
836 shall promptly file such approval and its amended certificate of  
837 incorporation with the Secretary of the State and with the town clerk of  
838 the town in which its principal office is located. Upon such filing, the  
839 bank shall cease to be an uninsured bank subject to the provisions of  
840 subdivisions [(3) and (4)] (2) and (3) of subsection (t) and subsection (u)  
841 of section 36a-70, as amended by this act, or a [Connecticut bank  
842 organized to function solely in a fiduciary capacity] trust bank, subject  
843 to the limitations provided in subsection (u) of section 36a-70, as  
844 amended by this act, and subsection (b) of section 36a-250, as amended  
845 by this act, and shall be a Connecticut bank subject to all of the  
846 requirements and limitations and possessed of all rights, privileges  
847 and powers granted to it by its amended certificate of incorporation  
848 and by the provisions of the general statutes applicable to its type of  
849 Connecticut bank. Such Connecticut bank shall not commence  
850 business unless its insurable accounts and deposits are insured by the  
851 Federal Deposit Insurance Corporation or its successor agency. Upon  
852 such filing with the Secretary of the State and with the town clerk, all  
853 of the assets, business and good will of the converting bank shall be  
854 transferred to and vested in such Connecticut bank without any deed  
855 or instrument of conveyance, provided the converting bank may  
856 execute any deed or instrument of conveyance as is convenient to  
857 confirm such transfer. Such Connecticut bank shall be subject to all of  
858 the duties, relations, obligations, trusts and liabilities of the converting  
859 bank, whether as debtor, depository, registrar, transfer agent, executor,  
860 administrator or otherwise, and shall be liable to pay and discharge all  
861 such debts and liabilities, and to perform all such duties in the same  
862 manner and to the same extent as if the Connecticut bank had itself  
863 incurred the obligation or liability or assumed the duty or relation. All  
864 rights of creditors of the converting bank and all liens upon the  
865 property of such bank shall be preserved unimpaired and the  
866 Connecticut bank shall be entitled to receive, accept, collect, hold and  
867 enjoy any and all gifts, bequests, devises, conveyances, trusts and  
868 appointments in favor of or in the name of the converting bank and

869 whether made or created to take effect prior to or after the conversion.

870 (g) The persons named as directors in the amended certificate of  
871 incorporation shall be the directors of such Connecticut bank until the  
872 first annual election of directors after the conversion or until the  
873 expiration of their terms as directors, and shall have the power to take  
874 all necessary actions and to adopt bylaws concerning the business and  
875 management of such Connecticut bank.

876 (h) No such Connecticut bank resulting from the conversion of an  
877 uninsured bank may exercise any of the fiduciary powers granted to  
878 Connecticut banks by law until express authority therefor has been  
879 given by the commissioner, unless such authority was previously  
880 granted to the converting bank.

881 (i) The franchise tax required to be paid by capital stock Connecticut  
882 banks upon an increase of capital stock shall be paid upon the capital  
883 stock of any such Connecticut bank, provided, any franchise tax paid  
884 by the converting bank shall be subtracted from any amount owed  
885 under this subsection.

886 Sec. 7. Section 36a-139b of the general statutes, as amended by  
887 section 43 of public act 03-84 and section 10 of public act 03-196, is  
888 repealed and the following is substituted in lieu thereof (*Effective from*  
889 *passage*):

890 (a) Any Connecticut bank may, upon the approval of the  
891 commissioner, convert to an uninsured bank, [ , as defined in  
892 subsection (t) of section 36a-70.]

893 (b) The converting bank shall file with the commissioner a proposed  
894 plan of conversion, a copy of the proposed amended certificate of  
895 incorporation and a certificate by the secretary of the converting bank  
896 that the proposed plan of conversion and proposed certificate of  
897 incorporation have been approved in accordance with subsection (c) of  
898 this section.

899 (c) The proposed plan of conversion and proposed amended  
900 certificate of incorporation shall require the approval of a majority of  
901 the governing board of the converting bank and the favorable vote of  
902 not less than two-thirds of the holders of each class of the bank's  
903 capital stock, if any, or, in the case of a mutual bank, the incorporators  
904 thereof, cast at a meeting called to consider such conversion.

905 (d) Any shareholder of a converting capital stock Connecticut bank  
906 that proposes to convert to an uninsured bank who, on or before the  
907 date of the shareholders' meeting to vote on such conversion, objects to  
908 the conversion by filing a written objection with the secretary of such  
909 bank may, within ten days after the effective date of such conversion,  
910 make written demand upon the converted bank for payment of such  
911 shareholder's stock. Any such shareholder that makes such objection  
912 and demand shall have the same rights as those of a shareholder who  
913 dissents from the merger of two or more capital stock Connecticut  
914 banks.

915 (e) If applicable, a converting Connecticut bank shall liquidate all of  
916 its retail deposits [, as defined in subsection (t) of section 36a-70,] with  
917 the approval of the commissioner. The converting bank shall file with  
918 the commissioner a written notice of its intent to liquidate all of its  
919 retail deposits together with a plan of liquidation and a proposed  
920 notice to depositors approved and executed by a majority of its  
921 governing board. The commissioner shall approve the plan and the  
922 notice to depositors. The commissioner shall not approve a sale of the  
923 retail deposits of the converting bank if the purchasing insured  
924 depository institution, including all insured depository institutions  
925 which are affiliates of such institution, upon consummation of the sale,  
926 would control thirty per cent or more of the total amount of deposits of  
927 insured depository institutions in this state, unless the commissioner  
928 permits a greater percentage of such deposits. The converting and  
929 purchasing institutions shall file with the commissioner a written  
930 agreement approved and executed by a majority of the governing  
931 board of each institution prescribing the terms and conditions of the

932 transaction.

933 (f) The commissioner shall approve a conversion under this section  
934 if the commissioner determines that: (1) The converting bank has  
935 complied with all applicable provisions of law; (2) the converting bank  
936 has equity capital of at least five million dollars unless the  
937 commissioner establishes a different minimum capital requirement  
938 based on the proposed activities of the converting bank; (3) the  
939 converting bank has liquidated all of its retail deposits, if any, and has  
940 no deposits that are insured by the Federal Deposit Insurance  
941 Corporation or its successor agency; and (4) the proposed conversion  
942 will serve the public necessity and convenience. The commissioner  
943 shall not approve such conversion unless the commissioner considers  
944 the findings of the most recent state or federal safety and soundness  
945 examination of the converting bank, and the effect of the proposed  
946 conversion on the financial resources and future prospects of the  
947 converting bank.

948 (g) After receipt of the commissioner's approval for the conversion,  
949 the converting bank shall promptly file such approval and its  
950 certificate of incorporation with the Secretary of the State and with the  
951 town clerk of the town in which its principal office is located. Upon  
952 such filing, the converted Connecticut bank shall not accept retail  
953 deposits and shall be an uninsured bank, [as defined in subsection (t)  
954 of section 36a-70,] subject to the limitations in subdivisions [(3) and (4)]  
955 (2) and (3) of subsection (t) and subsection (u) of section 36a-70, as  
956 amended by this act. Upon such conversion, the converted Connecticut  
957 bank possesses all of the rights, privileges and powers granted to it by  
958 its certificate of incorporation and by the provisions of the general  
959 statutes applicable to its type of Connecticut bank, and all of the assets,  
960 business and good will of the converting bank shall be transferred to  
961 and vested in the converted Connecticut bank without any deed or  
962 instrument of conveyance, provided the converting bank may execute  
963 any deed or instrument of conveyance as is convenient to confirm such  
964 transfer. The converted Connecticut bank shall be subject to all of the

965 duties, relations, obligations, trusts and liabilities of the converting  
966 bank, whether as debtor, depository, registrar, transfer agent, executor,  
967 administrator or otherwise, and shall be liable to pay and discharge all  
968 such debts and liabilities, to perform all such duties in the same  
969 manner and to the same extent as if the converted bank had itself  
970 incurred the obligation or liability or assumed the duty or relation. All  
971 rights of creditors of the converting bank and all liens upon the  
972 property of such bank shall be preserved unimpaired and the  
973 uninsured bank shall be entitled to receive, accept, collect, hold and  
974 enjoy any and all gifts, bequests, devises, conveyances, trusts and  
975 appointments in favor of or in the name of the converting bank and  
976 whether made or created to take effect prior to or after the conversion.

977 (h) The persons named as directors in the certificate of incorporation  
978 shall be the directors of the converted Connecticut bank until the first  
979 annual election of directors after the conversion or until the expiration  
980 of their terms as directors, and shall have the power to take all  
981 necessary actions and to adopt bylaws concerning the business and  
982 management of such Connecticut bank.

983 (i) No converted Connecticut bank, other than a [Connecticut bank  
984 which converted from a Connecticut bank organized solely to function  
985 in a fiduciary capacity] trust bank, may exercise any of the fiduciary  
986 powers granted to Connecticut banks by law until express authority  
987 therefor has been given by the commissioner, unless such authority  
988 was previously granted to the converting bank.

989 (j) The franchise tax required to be paid by capital stock Connecticut  
990 banks upon an increase of capital stock shall be paid upon the capital  
991 stock of any such converted bank, provided, any franchise tax paid by  
992 the converting bank shall be subtracted from any amount owed under  
993 this subsection.

994 Sec. 8. Subsection (a) of section 36a-193 of the general statutes is  
995 repealed and the following is substituted in lieu thereof (*Effective from*  
996 *passage*):

997 (a) Any reorganized savings institution, except [one organized to  
998 function solely in a fiduciary capacity] a trust bank, shall commence  
999 business with a minimum equity capital of at least five million dollars.  
1000 Any reorganized savings institution [organized to function solely in a  
1001 fiduciary capacity] that is a trust bank shall commence business with a  
1002 minimum equity capital of at least two million dollars. Such equity  
1003 capital shall be paid for in cash before any reorganized savings  
1004 institution commences business.

1005 Sec. 9. Section 36a-215 of the general statutes, as amended by section  
1006 81 of public act 03-19, is repealed and the following is substituted in  
1007 lieu thereof (*Effective from passage*):

1008 If, in the opinion of the commissioner, a [Connecticut bank  
1009 organized to function solely in a fiduciary capacity] trust bank, or an  
1010 uninsured bank, in danger of becoming insolvent, is not likely to be  
1011 able to meet the demands of its depositors, in the case of an uninsured  
1012 bank, or pay its obligations in the normal course of business, or is  
1013 likely to incur losses that may deplete all or substantially all of its  
1014 capital, the commissioner may require such [Connecticut bank  
1015 organized to function solely in a fiduciary capacity] trust bank or  
1016 uninsured bank to [keep assets] increase the assets kept on deposit [in]  
1017 as required by subsection (u) of section 36a-70, as amended by this act,  
1018 to an amount that would be sufficient to meet the costs and expenses  
1019 incurred by the commissioner pursuant to section [36a-223] 36a-222, as  
1020 amended by this act, and all fees and assessments due the  
1021 commissioner. Such assets shall be deposited with such bank as the  
1022 commissioner may designate, and shall be in such form and subject to  
1023 such conditions as the commissioner deems necessary. [For purposes  
1024 of this section, "uninsured bank" has the meaning given to that term in  
1025 subsection (t) of section 36a-70.]

1026 Sec. 10. Subsection (a) of section 36a-216 of the general statutes is  
1027 repealed and the following is substituted in lieu thereof (*Effective from*  
1028 *passage*):

1029 (a) Whenever, in the opinion of the commissioner, general financial  
1030 conditions are such that the public interest requires limitation on  
1031 withdrawal of funds from Connecticut banks or Connecticut credit  
1032 unions, or the assets of any Connecticut bank or Connecticut credit  
1033 union are in such nonliquid condition that the interests of the  
1034 depositors, [or] share account holders or clients may be jeopardized,  
1035 the commissioner may: (1) Order any one or more of such banks or  
1036 credit unions to restrict all or any part of their business and limit or  
1037 postpone for any length of time the payment of any amount or  
1038 proportion of the deposits in any of the departments of such banks or  
1039 credit unions as the commissioner deems necessary or expedient. The  
1040 commissioner may regulate as to time and amount further payments  
1041 as the interest of the public, of any such bank or credit union or of the  
1042 depositors, share account holders, clients or creditors thereof may  
1043 require. Any order made by the commissioner under this subdivision  
1044 may be amended, extended or revoked in whole or in part, whenever  
1045 in the commissioner's judgment circumstances warrant or require; (2)  
1046 authorize any such banks or credit unions to receive new deposits or  
1047 share account payments which shall be designated as new deposits or  
1048 share account payments, and shall be segregated from all other  
1049 deposits or share account payments. Such new deposits or share  
1050 account payments shall be invested only in assets approved by the  
1051 commissioner as being sufficiently liquid to be available when needed  
1052 to meet any demands on account of such new deposits or share  
1053 account payments. Such assets shall not be merged with other assets  
1054 but shall be held in trust for the security and payment of such new  
1055 deposits or share account payments, except that income from such  
1056 assets may, to the extent authorized by the commissioner, be used by  
1057 the banks or credit unions for other proper purposes of such banks or  
1058 credit unions; and the withdrawal of such new deposits or share  
1059 account payments shall not be subjected in any respect to restriction or  
1060 limitation under this section; (3) adopt such regulations, in accordance  
1061 with chapter 54, as the commissioner deems advisable for the  
1062 protection of any such bank or credit union or the depositors, share

1063 account holders, clients or creditors thereof. Any person who violates  
1064 any provision of such regulations shall be fined not more than one  
1065 thousand dollars or imprisoned not more than one year, or both.

1066 Sec. 11. Section 36a-218 of the general statutes is repealed and the  
1067 following is substituted in lieu thereof (*Effective from passage*):

1068 Whenever the commissioner has reason to believe that the capital of  
1069 any capital stock Connecticut bank is impaired but the impairment is  
1070 not sufficient to require other action for the protection of the public,  
1071 the commissioner may notify such bank in writing to make good any  
1072 impairment of capital within a time to be fixed by the commissioner.  
1073 For purposes of this section, the capital of a bank is impaired if the  
1074 equity capital of the bank is less than zero. At the end of such period,  
1075 the commissioner shall make, or cause to be made, an examination of  
1076 such bank, and, upon finding at any time thereafter an impairment of  
1077 capital, the commissioner may deliver to such bank a written order to  
1078 discontinue receiving moneys for deposit or for certificates of  
1079 indebtedness and paying depositors, clients or other creditors. The  
1080 commissioner may thereupon bring an action in the superior court for  
1081 the judicial district of Hartford or the judicial district in which the  
1082 main office of such bank is located for its dissolution and for the  
1083 appointment of a receiver to take charge of its affairs. Such written  
1084 order of the commissioner, until vacated by an order of the court, shall  
1085 have the effect of a temporary injunction restraining such bank, its  
1086 directors, officers and employees, from receiving moneys for deposit  
1087 or for certificates of indebtedness and paying depositors, clients or  
1088 other creditors. Nothing in this section shall require the commissioner  
1089 to take any action for the restoration of any impairment of capital or  
1090 for the appointment of a receiver if, in the commissioner's opinion, the  
1091 remaining capital of any such bank is sufficient to protect the  
1092 depositors, clients and other creditors thereof from loss.

1093 Sec. 12. Subsection (a) of section 36a-219 of the general statutes is  
1094 repealed and the following is substituted in lieu thereof (*Effective from*

1095 *passage*):

1096 (a) Whenever, in the opinion of the commissioner or the governing  
1097 board, or in the case of a Connecticut credit union service organization  
1098 the commissioner or the governing board, managers or general  
1099 partners, it may be necessary to preserve assets or protect depositors,  
1100 [or] share account holders or clients, the commissioner may issue a  
1101 temporary order restraining any Connecticut bank, out-of-state bank  
1102 that maintains in this state a branch, as defined in section 36a-410, to  
1103 the extent of its operations in this state, Connecticut credit union or  
1104 out-of-state credit union that maintains in this state a branch, as  
1105 defined in section 36a-435b, as amended, to the extent of its operations  
1106 in this state, or Connecticut credit union service organization from  
1107 paying out any funds or receiving moneys for deposit, for certificates  
1108 of indebtedness or for payment on accounts, or, in the case of a  
1109 Connecticut bank, Connecticut credit union or Connecticut credit  
1110 union service organization, appoint a conservator, until a hearing  
1111 before the superior court of the judicial district of Hartford. The court  
1112 may, upon application of the commissioner or upon application of the  
1113 governing board of any such Connecticut bank, out-of-state bank,  
1114 Connecticut credit union or out-of-state credit union, or the governing  
1115 board, managers or general partners of any such Connecticut credit  
1116 union service organization, issue an order restraining any such bank,  
1117 credit union or credit union service organization from declaring or  
1118 paying any dividends or from paying out any funds of such bank,  
1119 credit union or credit union service organization for such time as the  
1120 court deems necessary. Such order shall be in writing directed to such  
1121 bank, credit union or credit union service organization and a copy of  
1122 the order attested and hand-delivered by the commissioner to the  
1123 president, chief executive officer, secretary, or treasurer of any such  
1124 bank or credit union, or in the case of a Connecticut credit union  
1125 service organization, to the president, chief executive officer, secretary,  
1126 treasurer, a manager or general partner of any such credit union  
1127 service organization, or in the case of an out-of-state bank, or out-of-  
1128 state credit union, to its agent, shall be sufficient notice thereof. Before

1129 issuing such restraining order, the court shall cause reasonable notice  
1130 to be given to such bank, credit union or credit union service  
1131 organization. Notice to the president, chief executive officer, secretary,  
1132 treasurer or agent of any such bank or credit union, an agent of any  
1133 such out-of-state bank or out-of-state credit union, or president, chief  
1134 executive officer, secretary, treasurer, manager or general partner of  
1135 any such credit union service organization shall be notice to such bank,  
1136 credit union or credit union service organization. Notice may be  
1137 waived by any such president, chief executive officer, treasurer,  
1138 secretary, manager, general partner or agent.

1139 Sec. 13. Subsection (a) of section 36a-220 of the general statutes is  
1140 repealed and the following is substituted in lieu thereof (*Effective from*  
1141 *passage*):

1142 (a) If it appears to the commissioner that (1) the charter of any  
1143 Connecticut bank or out-of-state bank that maintains in this state a  
1144 branch, as defined in section 36a-410, or the certificate of authority of  
1145 any Connecticut credit union or out-of-state credit union that  
1146 maintains in this state a branch, as defined in section 36a-435b, as  
1147 amended, is forfeited, (2) the public is in danger of being defrauded by  
1148 such bank or credit union, it is unsafe or unsound for such bank or  
1149 credit union to continue business or its assets are being dissipated, (3)  
1150 such bank or credit union is insolvent, is in danger of imminent  
1151 insolvency or that its capital is not adequate to support the level of  
1152 risk, or (4) the Federal Deposit Insurance Corporation, National Credit  
1153 Union Administration or their successor agencies have terminated  
1154 insurance of the insurable accounts or deposits of such bank, unless  
1155 such Connecticut bank has filed an application with the commissioner  
1156 to convert to an uninsured bank pursuant to section 36a-139b, as  
1157 amended by this act, or credit union, the commissioner shall apply to  
1158 the superior court for the judicial district of Hartford or the judicial  
1159 district in which the main office of such bank or credit union is located  
1160 for an injunction restraining such bank or credit union from  
1161 conducting business or, in the case of a Connecticut bank or

1162 Connecticut credit union, for the appointment of a conservator or for a  
1163 receiver to wind up its affairs.

1164 Sec. 14. Section 36a-222 of the general statutes is repealed and the  
1165 following is substituted in lieu thereof (*Effective from passage*):

1166 [(a) The duty of the receiver shall be to place the Connecticut bank  
1167 or Connecticut credit union in liquidation and proceed to realize upon  
1168 the assets of such bank or credit union, having due regard for the  
1169 conditions of credit in the locality of such bank or credit union.

1170 (b) The duty of the conservator shall be to carry on the business of  
1171 the Connecticut bank or Connecticut credit union, to preserve and  
1172 conserve the assets and property of the bank or credit union, and to  
1173 put such bank or credit union in a safe and sound condition. ]

1174 (a) In all cases in which the appointment of a receiver or conservator  
1175 for any Connecticut bank or Connecticut credit union is sought, if it is  
1176 found that a receiver or conservator should be appointed, the Superior  
1177 Court shall appoint as a receiver or conservator the commissioner or, if  
1178 requested by the commissioner, the Federal Deposit Insurance  
1179 Corporation or the National Credit Union Administration, or their  
1180 successor agencies or, if such agencies cannot act as receiver or  
1181 conservator, an independent receiver or conservator. If the  
1182 commissioner, the Federal Deposit Insurance Corporation or the  
1183 National Credit Union Administration, or their successor agencies,  
1184 accepts the appointment as receiver or conservator, no bond shall be  
1185 required to be posted. If an independent person accepts the  
1186 appointment as receiver or conservator, the court shall require such  
1187 person to post a suitable bond. The Superior Court may appoint the  
1188 receiver or conservator on an ex parte basis upon a sufficient affidavit  
1189 of the commissioner or the commissioner's authorized representative  
1190 indicating reasonable likelihood that an unsafe or unsound condition  
1191 exists which is likely to have an adverse effect upon depositors, share  
1192 account holders, clients or creditors. If an independent receiver or  
1193 conservator is appointed, the commissioner shall be a party to the

1194 receivership proceeding or conservatorship with standing to initiate or  
1195 contest any motion, and the views of the commissioner shall be  
1196 entitled to deference unless they are inconsistent with the plain  
1197 meaning of sections 36a-215 to 36a-239, inclusive, as amended by this  
1198 act, and sections 28 to 32, inclusive, of this act.

1199 (b) The commissioner may organize a separate division within the  
1200 Department of Banking for liquidating or administering the affairs of  
1201 the banks or credit unions for which the commissioner is acting as  
1202 receiver or conservator, and the commissioner may appoint such  
1203 employees and retain such consultants as the commissioner deems  
1204 necessary for the liquidation or administration of the affairs of such  
1205 banks or credit unions. The commissioner may appoint an agent, who  
1206 shall be an employee of the Department of Banking and who, in the  
1207 absence or incapacity of the commissioner and of the commissioner's  
1208 deputy, shall have authority to act for or represent the commissioner in  
1209 all matters pertaining to the duties of the commissioner as the receiver  
1210 or conservator of any Connecticut bank or Connecticut credit union.  
1211 Such agent may execute and sign for the commissioner as the receiver  
1212 or conservator any documents, instruments or reports necessary in the  
1213 administration of the receivership or conservatorship. All legal  
1214 services required by the commissioner as receiver or conservator or the  
1215 commissioner's deputy, agent or employees in connection with such  
1216 receivership proceedings or the administration or reorganization of  
1217 any such Connecticut bank or Connecticut credit union shall be  
1218 performed by the Attorney General. The commissioner shall keep on  
1219 file in the commissioner's office an executed copy of each report  
1220 required to be filed by the commissioner as receiver or conservator  
1221 with the clerk of the Superior Court and shall include a report of each  
1222 bank or credit union for which the commissioner is acting as receiver  
1223 or conservator in the commissioner's annual report to the Governor.

1224 (c) (1) If the commissioner is appointed receiver or conservator, any  
1225 salaries or expenses incurred in the liquidation, reorganization or  
1226 administration of the bank or credit union shall be paid out of the

1227 funds of the bank or credit union, subject to the approval of the  
1228 Superior Court. The state shall be reimbursed for any costs or expenses  
1229 incurred by the Department of Banking in the liquidation,  
1230 reorganization or administration of the receivership or  
1231 conservatorship, and the commissioner may collect from each such  
1232 estate in receivership or conservatorship such costs and expenses as, in  
1233 the commissioner's opinion, are fair and equitable. Any such costs or  
1234 expenses so collected shall be deposited with the State Treasurer and  
1235 shall be credited to the State Banking Fund. Any salaries and expenses  
1236 for legal services provided by the Attorney General shall be paid out of  
1237 the funds of the estate in receivership or conservatorship with the  
1238 approval of the court. Such salaries and expenses shall be allocated by  
1239 the commissioner as nearly as possible to the estate in receivership or  
1240 conservatorship for which the services were rendered, and the funds  
1241 in payment of the same shall be deposited with the State Treasurer and  
1242 shall be credited to the appropriation for the Attorney General.

1243 (2) If an independent person is appointed receiver or conservator,  
1244 the cost and expenses incurred in the liquidation, reorganization or  
1245 administration of the bank or credit union, including any funds paid  
1246 by the commissioner to the receiver or conservator prior to the bank or  
1247 credit union being placed in receivership or conservatorship, shall be  
1248 paid out of the funds of the bank or credit union, subject to the  
1249 approval of the court.

1250 (d) Upon the appointment of a receiver pursuant to subsection (a) of  
1251 this section, possession of and title to all assets, business and property  
1252 of the Connecticut bank or Connecticut credit union shall pass to  
1253 invest in the receiver without the execution of any instruments of  
1254 conveyance, assignment, transfer or endorsement.

1255 (e) (1) Except as otherwise provided by this subdivision, the  
1256 Superior Court in which a receivership proceeding against a  
1257 Connecticut bank or Connecticut credit union is pending has exclusive  
1258 jurisdiction to hear and determine all actions or proceedings instituted

1259 by or against the bank, credit union or receiver after the receivership  
1260 proceeding begins. The receiver may file in any jurisdiction an  
1261 ancillary suit to obtain jurisdiction or venue over a person or property.

1262 (2) A record of a Connecticut bank or Connecticut credit union  
1263 obtained by the receiver and held in the course of the receivership  
1264 proceeding or a certified copy of the record under the official seal of  
1265 the receiver is admissible as evidence in all cases without proof of  
1266 correctness or other proof, except the certificate of the receiver that the  
1267 record was received from the custody of the bank or credit union or  
1268 found among its effects. The receiver may certify the correctness of  
1269 such record and a record of the receiver's office, and may certify any  
1270 fact contained in the record. The record is admissible as evidence in all  
1271 cases in which the original would be evidence. The original record or a  
1272 certified copy of the record is prima facie evidence of the facts it  
1273 contains.

1274 (f) (1) A judgment or order of a court of this state or of another  
1275 jurisdiction in an action pending by or against a Connecticut bank or  
1276 Connecticut credit union, rendered after the date such bank or credit  
1277 union was placed in receivership, is not binding on the receiver unless  
1278 the receiver was made a party to the suit.

1279 (2) Before the first anniversary of the date the Connecticut bank or  
1280 Connecticut credit union was placed in receivership, the receiver may  
1281 not be required to plead to any suit pending against such bank or  
1282 credit union in a court in this state on the date such bank or credit  
1283 union was placed in receivership and in which the receiver is a proper  
1284 plaintiff or defendant.

1285 Sec. 15. Section 36a-223 of the general statutes, as amended by  
1286 section 1 of public act 03-153, is repealed and the following is  
1287 substituted in lieu thereof (*Effective from passage*):

1288 [(a) In all cases in which the appointment of a receiver or  
1289 conservator for any Connecticut bank or Connecticut credit union is

1290 sought, if it is found that a receiver or conservator should be  
1291 appointed, the Superior Court shall appoint as a receiver or  
1292 conservator the commissioner or, if requested by the commissioner,  
1293 the Federal Deposit Insurance Corporation or the National Credit  
1294 Union Administration, or their successor agencies or, if extraordinary  
1295 circumstances exist, another competent person. The Superior Court  
1296 may appoint the receiver or conservator on an ex parte basis upon a  
1297 sufficient affidavit of the commissioner or the commissioner's  
1298 authorized representative indicating reasonable likelihood that an  
1299 unsafe or unsound condition exists which is likely to have an adverse  
1300 effect upon depositors, share account holders or creditors. The  
1301 commissioner may organize a separate division within the Department  
1302 of Banking for liquidating and administering the affairs of the banks or  
1303 credit unions for which the commissioner is acting as receiver or  
1304 conservator, and the commissioner may appoint such employees as the  
1305 commissioner deems necessary for the liquidation or administration of  
1306 the affairs of such banks or credit unions. Any salaries and expenses  
1307 shall be paid out of the funds of the bank or credit union in the  
1308 possession of the commissioner, subject to the approval of the court  
1309 having jurisdiction. The commissioner may appoint an agent, who  
1310 may be an employee of the Department of Banking or such other  
1311 person as the commissioner may deem appropriate and who, in the  
1312 absence or incapacity of the commissioner and of the commissioner's  
1313 deputy, shall have authority to act for or represent the commissioner in  
1314 all matters pertaining to the duties of the commissioner as the receiver  
1315 or conservator of any Connecticut bank or Connecticut credit union.  
1316 Such agent may execute and sign for the commissioner as the receiver  
1317 or conservator any documents, instruments or reports necessary in the  
1318 administration of the receivership or conservatorship. The state shall  
1319 be reimbursed for any costs or expenses incurred by the Department of  
1320 Banking in the administration of the receivership or conservatorship,  
1321 and the commissioner may collect from each such estate in  
1322 receivership or conservatorship such charges as, in the commissioner's  
1323 opinion, are fair and equitable. Any such costs or expenses so collected

1324 shall be deposited with the State Treasurer and shall be credited to the  
1325 State Banking Fund. All legal services required by the commissioner or  
1326 the commissioner's deputy, agent or employees in connection with  
1327 such receivership proceedings or the administration or reorganization  
1328 of any such Connecticut bank or Connecticut credit union shall be  
1329 performed by the Attorney General, and any salaries and expenses for  
1330 such legal assistance shall be paid out of the funds of the estate in  
1331 receivership or conservatorship with the approval of the superior court  
1332 having jurisdiction. Such salaries and expenses shall be allocated by  
1333 the commissioner as nearly as possible to the estate in receivership or  
1334 conservatorship for which the services were rendered, and the funds in  
1335 payment of the same shall be deposited with the State Treasurer and  
1336 shall be credited to the appropriation for the Attorney General. The  
1337 commissioner shall keep on file in the commissioner's office an  
1338 executed copy of each report required to be filed by the commissioner,  
1339 as the receiver or conservator, with the clerk of the Superior Court and  
1340 shall include a report of each bank or credit union for which the  
1341 commissioner is acting as receiver or conservator in the  
1342 commissioner's annual report to the Governor. If the commissioner,  
1343 the Federal Deposit Insurance Corporation or the National Credit  
1344 Union Administration, or their successor agencies, accepts the  
1345 appointment as receiver or conservator, no bond shall be required to  
1346 be posted.

1347 (b) Upon the appointment of a receiver pursuant to subsection (a) of  
1348 this section, possession of and title to all assets, business and property  
1349 of the Connecticut bank or Connecticut credit union shall pass to and  
1350 vest in the receiver without the execution of any instruments of  
1351 conveyance, assignment, transfer or endorsement.]

1352 (a) The duty of the conservator shall be to carry on the business of  
1353 the Connecticut bank or Connecticut credit union, to preserve and  
1354 conserve the assets and property of the bank or credit union, and to  
1355 put such bank or credit union in a safe and sound condition.

1356        (b) The duty of the receiver shall be to place the Connecticut bank or  
1357 Connecticut credit union in liquidation and proceed to realize upon  
1358 the assets of such bank or credit union, having due regard for the  
1359 conditions of credit in the locality of such bank or credit union.

1360        (c) A receiver or conservator appointed pursuant to subsection (a) of  
1361 [this section] section 36a-222, as amended by this act, shall have the  
1362 following powers: (1) To take possession of the books, records and  
1363 assets of every description of the Connecticut bank or Connecticut  
1364 credit union and collect all debts due and claims belonging to it; (2) to  
1365 sue and defend all rights and claims involving the bank or credit  
1366 union; (3) to exercise any and all fiduciary functions of the bank or  
1367 credit union as of the date of the commencement of the receivership or  
1368 conservatorship; (4) to borrow such sums of money as may be  
1369 necessary or desirable in the performance of the duties of the receiver  
1370 or conservator, and in connection therewith, to secure such borrowings  
1371 by the pledge, hypothecation or mortgage of the assets of the bank or  
1372 credit union; (5) subject to the approval of the appointing court, unless  
1373 such approval is not required under subsection (d) of this section, to  
1374 sell or otherwise dispose of any and all real and personal property of  
1375 the bank or credit union; sell, assign, compromise, or otherwise  
1376 dispose of all bad or doubtful debts; and compromise all doubtful  
1377 claims for or against the bank or credit union; (6) to exercise all of the  
1378 power and authority of the corporators, shareholders, directors,  
1379 trustees, officers, depositors, [and] share account holders and clients of  
1380 such bank or credit union in carrying out the duty of the receiver or  
1381 conservator; (7) to exercise such other powers and duties as may be  
1382 reasonably necessary or desirable to effectively and efficiently perform  
1383 the functions of receiver or conservator in accordance with federal and  
1384 state banking and credit union laws and regulations.

1385        (d) Notwithstanding the provisions of subsection [(a)] (c) of this  
1386 section, in all cases in which the commissioner is appointed receiver or  
1387 conservator, the commissioner, without the approval of the appointing  
1388 court, may, upon such terms as the commissioner deems in the best

1389 interest of the Connecticut bank or Connecticut credit union: (1) Sell,  
1390 assign, compromise or otherwise dispose of any bad or doubtful debt  
1391 held by the bank or credit union, the value of which does not exceed  
1392 fifty thousand dollars; (2) compromise any claim, other than a deposit  
1393 claim, against the bank or credit union when the amount proposed to  
1394 be paid in compromise does not exceed fifty thousand dollars,  
1395 provided no claim in favor of the bank or credit union against any  
1396 director, trustee or other officer for breach or neglect of official duty  
1397 shall be compromised without the approval of the court; and (3) sell or  
1398 otherwise dispose of any personal property of the bank or credit union  
1399 the value of which does not exceed fifty thousand dollars. For  
1400 purposes of this subsection, the value of any bad or doubtful debt shall  
1401 be its current value, as determined by the commissioner in good faith,  
1402 and the value of any personal property shall be (A) in the case of any  
1403 single class of a security or any commodity, or other property or claim  
1404 that has a readily ascertainable market value, such market value, and  
1405 (B) in any other case, its current value as determined by the  
1406 commissioner in good faith.

1407 Sec. 16. Section 36a-224 of the general statutes is repealed and the  
1408 following is substituted in lieu thereof (*Effective from passage*):

1409 Upon recommendation of the receiver and with the approval of the  
1410 court having jurisdiction, any [such] Connecticut bank or Connecticut  
1411 credit union placed in receivership may be reopened and may resume  
1412 business and such receiver, upon the application of any depositor,  
1413 shareholder, share account holder, client or creditor thereof, shall  
1414 present to the court having jurisdiction, for the court's approval, any  
1415 plan of refinancing or reorganization which has been submitted to the  
1416 receiver by such depositor, share account holder, client, shareholder or  
1417 creditor. Any authorized committee of shareholders, share account  
1418 holders, [or] depositors or clients may, with the approval of the  
1419 superior court having jurisdiction, examine the records of such bank or  
1420 credit union for which they appear, in the possession of the  
1421 [commissioner as the] receiver, for the purpose of preparing a plan of

1422 refinancing or reorganization of such bank or credit union. After  
1423 submitting such proposed plan to the court having jurisdiction, the  
1424 [commissioner] receiver shall be subject to such orders as are made by  
1425 the court respecting such plan.

1426 Sec. 17. Section 36a-225 of the general statutes is repealed and the  
1427 following is substituted in lieu thereof (*Effective from passage*):

1428 (a) The Superior Court, upon appointing a receiver of any  
1429 Connecticut bank, other than a trust bank or an uninsured bank, or  
1430 Connecticut credit union, shall limit the time within which all claims  
1431 against the bank or credit union may be presented to the receiver, and  
1432 the court may, upon cause shown, extend such time and shall cause  
1433 such public notice of such limitation or extension of time to be given as  
1434 it deems reasonable and just. All claims not presented to the receiver  
1435 within the period limited shall be forever barred, except that any claim  
1436 for a deposit or share account, as shown by the depositor's or share  
1437 account holder's passbook, certificate of deposit, statement or other  
1438 evidence of deposit or the records of such bank or credit union, shall  
1439 be allowed by the receiver.

1440 (b) (1) As soon as reasonably practicable after appointment of a  
1441 receiver of a trust bank or an uninsured bank, the receiver shall  
1442 publish notice, in a newspaper of general circulation in each town in  
1443 which an office of such bank is located, stating that: (A) The bank has  
1444 been placed in receivership; (B) the depositors, clients and creditors  
1445 shall present their claims for payment on or before a specific date and  
1446 at a specified place; and (C) all safe deposit box holders and bailors of  
1447 property left with the bank shall remove their property no later than a  
1448 specified date. The dates that the receiver selects may not be earlier  
1449 than the one hundred twenty-first day after the date of the notice, and  
1450 shall allow: (i) The affairs of the bank to be wound up as quickly as  
1451 feasible; and (ii) depositors, clients, creditors, safe deposit box holders  
1452 and bailors of property adequate time for presentation of claims,  
1453 withdrawal of accounts, and redemption of property. The receiver may

1454 adjust the dates with the approval of the court and with or without  
1455 republishing of notice if the receiver determines that additional time is  
1456 needed for any such presentation, withdrawal or redemption.

1457 (2) As soon as reasonably practicable, given the state of the bank's  
1458 records and the adequacy of staffing, the receiver shall mail to each of  
1459 the bank's known depositors, clients, creditors, safe deposit box  
1460 holders and bailors of property left with the bank, at the mailing  
1461 address shown on the bank's records, an individual notice containing  
1462 the information required in the notice provided in subdivision (1) of  
1463 this subsection, and specific information pertinent to the account or  
1464 property of the addressee. The receiver of a trust bank or uninsured  
1465 bank may require a fiduciary claimant to file a proof of claim if the  
1466 records of such bank are insufficient to identify the claimant's interest.

1467 Sec. 18. Section 36a-226 of the general statutes, as amended by  
1468 section 2 of public act 03-153, is repealed and the following is  
1469 substituted in lieu thereof (*Effective from passage*):

1470 The receiver shall, as soon after the receiver's appointment as is  
1471 practicable, make and return to the court an inventory and appraisal of  
1472 the assets of the Connecticut bank or Connecticut credit union or estate  
1473 in receivership, verified by oath according to the receiver's best  
1474 knowledge, information and belief, and shall, from time to time  
1475 thereafter, make and return such additional or supplementary  
1476 inventories and valuations, and render such reports of the receiver's  
1477 actions and statements of accounts, as are necessary for the  
1478 information of the court or as are required by the order of the court.  
1479 The receiver shall hold all the assets which come into the receiver's  
1480 possession as such receiver, subject to the order of the court, and shall  
1481 convert such assets into money with all reasonable dispatch. [in  
1482 accordance with section 36a-223.] The receiver shall deposit money  
1483 collected on behalf of such bank or credit union in a bank, Connecticut  
1484 credit union, federal credit union, an out-of-state bank that maintains  
1485 in this state a branch, as defined in section 36a-410, or an out-of-state

1486 credit union that maintains in this state a branch, as defined in section  
1487 36a-435b, as amended. In cases of doubt or difficulty the receiver may,  
1488 upon written application, ask the advice of the court as to the manner  
1489 in which the receiver shall execute the receiver's trust. The court may,  
1490 from time to time, on its own motion, or on complaint of any interested  
1491 party, make all necessary and proper orders as to the proceedings and  
1492 actions of the receiver.

1493 Sec. 19. Section 36a-227 of the general statutes is repealed and the  
1494 following is substituted in lieu thereof (*Effective from passage*):

1495 (a) All attachments of, or against, the estate of any Connecticut bank  
1496 or Connecticut credit union, made within sixty days of the date of  
1497 filing of any complaint seeking the appointment of a receiver pursuant  
1498 to sections 36a-215 to 36a-239, inclusive, as amended by this act, and  
1499 sections 28 to 32, inclusive, of this act, and all levies of execution upon  
1500 the estate thereof not completed within such time period, except such  
1501 levies made in pursuance of attachments which are not hereby  
1502 invalidated, shall be dissolved, upon the appointment of a receiver.

1503 (b) Immediately after the granting of an injunction or appointment  
1504 of a receiver pursuant to sections 36a-215 to 36a-239, inclusive, as  
1505 amended by this act, and sections 28 to 32, inclusive, of this act, the  
1506 commissioner shall place a notice of such injunction or appointment at  
1507 the main entrance of the bank or credit union and thereafter no  
1508 judgment lien, attachment lien or any voluntary lien shall attach to any  
1509 asset of such bank or credit union. No director, officer, member of  
1510 senior management, as defined in section 36a-435b, as amended, or  
1511 agent of such bank or credit union shall thereafter have the authority  
1512 to act on behalf of such bank or credit union or to convey, transfer,  
1513 assign, pledge, mortgage or encumber any assets of such bank or credit  
1514 union. Any attempt by any director, officer, member of senior  
1515 management or agent of such bank or credit union to convey, transfer,  
1516 assign, pledge, mortgage or encumber any asset of such bank or credit  
1517 union or to create any lien on such bank or credit union or to prefer

1518 any depositor, share account holder, client or creditor of such bank or  
1519 credit union after the posting of such notice or in contemplation  
1520 thereof shall be void. A correspondent bank of a bank or credit union  
1521 in receivership may not pay an item drawn on the account of such  
1522 bank or credit union that is presented for payment after the  
1523 correspondent has received actual notice of the granting of the  
1524 injunction or appointment of the receiver unless it previously certified  
1525 the item for payment.

1526 Sec. 20. Section 36a-228 of the general statutes is repealed and the  
1527 following is substituted in lieu thereof (*Effective from passage*):

1528 (a) Within six months after the appointment of a receiver pursuant  
1529 to section [36a-223] 36a-222, as amended by this act, the commissioner  
1530 or the receiver may terminate any executory contract for services or  
1531 advertising to which the Connecticut bank or Connecticut credit union  
1532 is a party or any obligation of the bank or credit union as a lessee. A  
1533 lessor who receives sixty days' notice of the election to terminate a  
1534 lease shall have no claim for rent other than rent accrued to the date of  
1535 termination or for damages for such termination.

1536 (b) An agreement that tends to diminish or defeat the interest of the  
1537 estate in a Connecticut bank or Connecticut credit union asset is not  
1538 valid against the receiver unless the agreement: (1) Is in writing; (2)  
1539 was executed by the Connecticut bank or Connecticut credit union and  
1540 any person claiming an adverse interest under the agreement,  
1541 including the obligor, when the Connecticut bank or Connecticut  
1542 credit union acquired the asset; (3) was approved by the governing  
1543 board of the Connecticut bank or Connecticut credit union or its  
1544 designated committee, and the approval is reflected in the minutes of  
1545 the board or committee; and (4) has been continuously since its  
1546 execution an official record of the Connecticut bank or Connecticut  
1547 credit union.

1548 Sec. 21. Section 36a-229 of the general statutes is repealed and the  
1549 following is substituted in lieu thereof (*Effective from passage*):

1550     (a) Each affiliate, officer, director, employee, shareholder, trustee,  
1551 agent, employee, attorney, attorney-in-fact or correspondent of a  
1552 Connecticut bank or Connecticut credit union shall immediately  
1553 deliver to the receiver or conservator of such bank or credit union,  
1554 without cost to the receiver or conservator, any record or other  
1555 property of the bank or credit union or that relates to the business of  
1556 the bank or credit union.

1557     (b) If by contract or otherwise a record or other property that can be  
1558 copied is the property of a person specified in subsection (a) of this  
1559 section, it shall be copied and the copy shall be delivered to the  
1560 receiver or conservator. The owner shall retain the original until  
1561 notification by the receiver or conservator that it is no longer required  
1562 in the administration of the bank's or credit union's affairs or until  
1563 such other time as the Superior Court, after notice and hearing, directs.

1564     (c) Any person who wilfully neglects or refuses to deliver to the  
1565 receiver or conservator of any Connecticut bank or Connecticut credit  
1566 union, on demand, any [books, papers or evidences of title or debt or]  
1567 record or other property belonging to such receivership or  
1568 conservatorship, in the possession or under the control of such person,  
1569 shall be fined not more than ten thousand dollars or imprisoned not  
1570 more than three years or both.

1571     Sec. 22. Section 36a-230 of the general statutes is repealed and the  
1572 following is substituted in lieu thereof (*Effective from passage*):

1573     No claim in favor of a Connecticut bank or Connecticut credit union  
1574 in receivership, not barred by the statute of limitations at the time of  
1575 serving the [citation] application on the bank or credit union for the  
1576 appointment of a receiver, shall be barred against the receiver in any  
1577 suit for the recovery of such claim, brought by the receiver either in the  
1578 receiver's name or in the name of such bank or credit union.

1579     Sec. 23. Section 36a-231 of the general statutes is repealed and the  
1580 following is substituted in lieu thereof (*Effective from passage*):

1581 [(a) The receiver or conservator of any Connecticut bank or  
1582 Connecticut credit union shall file with the clerk of the superior court  
1583 having jurisdiction, within the first three days of April and October in  
1584 each year, a statement subscribed and sworn to by the receiver or  
1585 conservator, containing the following particulars, so far as they do not  
1586 appear in a preceding report on file with the court, and any changes or  
1587 additions that have occurred since the filing of such preceding report:  
1588 (1) The names and residences, so far as known, of all creditors of such  
1589 receivership or conservatorship, and the amounts respectively due  
1590 them; (2) a full list of all the assets on hand, with the estimated value of  
1591 such assets at the time of the appointment of the receiver or  
1592 conservator; (3) a statement of all disbursements of money made in the  
1593 discharge of duties as receiver or conservator; (4) the amount of cash  
1594 on hand and the place or places of deposit of the cash and the terms of  
1595 such deposit.

1596 (b) The clerk shall keep all reports and orders relating to the  
1597 receivership or conservatorship on file in the clerk's office and shall not  
1598 allow such reports and orders to be taken from the clerk's office except  
1599 in the clerk's personal custody. The clerk shall forthwith note on the  
1600 docket of civil causes the filing of any paper and the making of any  
1601 order relating to the receivership or conservatorship and shall record  
1602 all such orders. The clerk shall collect, for any services required, the  
1603 same fees as in other civil causes.]

1604 (a) (1) The receiver or conservator of a Connecticut bank or  
1605 Connecticut credit union shall file with the Superior Court and the  
1606 commissioner: (A) A quarterly report (i) listing the names and  
1607 addresses of all creditors, clients, depositors and share account holders  
1608 of such bank or credit union, and the amounts respectively due them,  
1609 and the assets on hand and their location and estimated value, and (ii)  
1610 showing the operation, receipts, expenditures of such assets and  
1611 general condition of such bank or credit union; and (B) a final report  
1612 regarding such liquidated bank or credit union showing all receipts  
1613 and expenditures and giving a full explanation and a statement of the

1614 disposition of all assets and liabilities of such bank or credit union.

1615       (2) The receiver shall pay all administrative expenses out of money  
1616 or other assets of such bank or credit union. Each quarter the receiver  
1617 shall submit to the court an itemized report of such expenses. The  
1618 court shall approve the report unless an objection is filed before the  
1619 eleventh day after the date it is submitted. An objection may be made  
1620 only by a party in interest and shall specify each item objected to and  
1621 the ground for the objection. The court shall set the objection for  
1622 hearing and notify the parties of this action. The objecting party has  
1623 the burden of proof to show that the item objected to is improper,  
1624 unnecessary or excessive.

1625       (3) The court may prescribe whether the notice of the receiver's  
1626 report is to be given by service on specific parties, by publication or by  
1627 a combination of those methods.

1628       (b) The Superior Court may order an audit of the books and records  
1629 of the receiver of a Connecticut bank or Connecticut credit union that  
1630 relate to the receivership or conservatorship. A report of an audit  
1631 ordered under this subsection shall be filed with the court and the  
1632 commissioner. The receiver shall make the books and records relating  
1633 to the receivership or conservatorship available to the auditor as  
1634 required by the court order. The receiver shall pay the expenses of an  
1635 audit ordered under this section as an administrative expense.

1636       Sec. 24. Section 36a-234 of the general statutes is repealed and the  
1637 following is substituted in lieu thereof (*Effective from passage*):

1638       In any action against the receiver of any Connecticut bank or  
1639 Connecticut credit union in which an injunction is granted restraining  
1640 the receiver from disposing of any of the [trust] estate, the receiver  
1641 shall apply for the dissolution of such injunction within thirty days  
1642 after the writ or order of injunction is served. The hearing on any such  
1643 application has precedence over all other causes in respect to the order  
1644 of trial.

1645 Sec. 25. Subsection (a) of section 36a-235 of the general statutes is  
1646 repealed and the following is substituted in lieu thereof (*Effective from*  
1647 *passage*):

1648 [(a) All payments or conveyances made by any Connecticut bank or  
1649 Connecticut credit union in contemplation of insolvency, to or for the  
1650 use of any or all of the creditors of such bank or credit union, with the  
1651 fraudulent intent to prevent the distribution and appropriation of the  
1652 effects of such bank or credit union in the manner prescribed by  
1653 section 36a-237, are void.]

1654 (a) (1) A transfer of or lien on the property of assets of a Connecticut  
1655 bank or Connecticut credit union in receivership is voidable by the  
1656 receiver if the transfer or lien: (A) Was made or created: (i) Four  
1657 months before the date such bank or credit union is placed in  
1658 receivership, or (ii) one year before the date such bank or credit union  
1659 is placed in receivership if the receiving creditor was at the time an  
1660 affiliate, officer, director or principal shareholder of such bank or credit  
1661 union; (B) was made or created with the intent of giving to a creditor  
1662 or depositor, or enabling a creditor or depositor to obtain, a greater  
1663 percentage of the claimant's debt that is given or obtained by another  
1664 claimant of the same class; and (C) is accepted by a creditor or  
1665 depositor having reasonable cause to believe that a preference will  
1666 occur.

1667 (2) Each Connecticut bank or Connecticut credit union officer,  
1668 director, manager, shareholder, trustee, agent, employee, attorney-in-  
1669 fact or correspondent, or other person acting on behalf of such bank or  
1670 credit union, who has participated in implementing a voidable transfer  
1671 or lien, and each person receiving property or the benefit of property  
1672 of such bank or credit union as a result of the voidable transfer or lien,  
1673 is personally liable for the property or benefit received and shall  
1674 account to the receiver for the benefit of the clients, depositors and  
1675 creditors of such bank or credit union.

1676 (3) The receiver may avoid a transfer of or lien on the property or

1677 assets of a Connecticut bank or Connecticut credit union that a client,  
1678 creditor, depositor or shareholder of such bank or credit union could  
1679 have avoided and may recover the property transferred or its value  
1680 from the person to whom it was transferred, or from a person who has  
1681 received it unless the transferee or recipient was a bona fide holder for  
1682 value before the date such bank or credit union was placed in  
1683 receivership.

1684       Sec. 26. Section 36a-237 of the general statutes is repealed and the  
1685 following is substituted in lieu thereof (*Effective from passage*):

1686       (a) The [avails of the property] assets of any Connecticut bank,  
1687 other than a trust bank or uninsured bank in the possession of a  
1688 receiver shall be distributed in the following order of priority: (1) All  
1689 fees and assessments due the commissioner; (2) the charges and  
1690 expenses of settling such bank's affairs; (3) all deposits; (4) all other  
1691 liabilities; (5) any liquidation account; and (6) in the case of a capital  
1692 stock Connecticut bank, the claims of shareholders or, in the case of a  
1693 mutual savings bank or mutual savings and loan association, the  
1694 claims of depositors in proportion to their respective deposits.

1695       (b) (1) The assets of a trust bank or an uninsured bank shall be  
1696 distributed in the following order of priority: (A) All fees and  
1697 assessments due the commissioner, (B) administrative expenses, (C)  
1698 approved claims of owners of secured trust funds on deposit to the  
1699 extent of the value of the security as provided in subsection (d) of  
1700 section 30 of this act; (D) approved claims of secured creditors to the  
1701 extent of the value of the security as provided in subsection (d) of  
1702 section 30 of this act; (E) approved claims by beneficiaries of  
1703 insufficient commingled fiduciary money or missing fiduciary  
1704 property and approved claims of clients of the trust bank or uninsured  
1705 bank; (F) other approved claims of depositors and general credits not  
1706 falling within a higher priority under this subdivision, including  
1707 unsecured claims for taxes and debts due the federal government or a  
1708 state or local government; (G) approved claims of a type described by

1709 subparagraphs (A) to (F), inclusive, of this subdivision that were not  
1710 filed within the period prescribed by sections 36a-215 to 36a-239,  
1711 inclusive, as amended by this act, and sections 28 to 32, inclusive, of  
1712 this act; and (H) claims of capital note or debenture holders or holders  
1713 of similar obligations and proprietary claims of shareholders or other  
1714 owners according to the terms established by issue, class or series.

1715 (2) As used in this subsection, "administrative expense" means (A)  
1716 any expense designated as an administrative expense by section 36a-  
1717 231, as amended by this act, and section 32 of this act; (B) any charge or  
1718 expense of settling the affairs of the bank, including court costs and  
1719 expenses of operation and liquidation of the bank's estate; (C) wages  
1720 owed to an employee of the bank for services rendered within three  
1721 months before the date the bank was placed in receivership and not  
1722 exceeding two thousand dollars to each employee; (D) current wages  
1723 owed to an employee of the bank whose services are retained by the  
1724 receiver for services rendered after the date the bank is placed in  
1725 receivership; and (E) an unpaid expense of supervision or  
1726 conservatorship of the bank before it was placed in receivership.

1727 [(b)] (c) In the event of liquidation of a Connecticut credit union, the  
1728 assets of the Connecticut credit union or the proceeds from any  
1729 disposition of the assets shall be applied and distributed in the  
1730 following sequence: (1) All fees and assessments due the  
1731 commissioner; (2) claims of secured creditors up to the value of their  
1732 collateral; (3) the costs and expenses of liquidation; (4) the wages due  
1733 the employees of the Connecticut credit union; (5) the costs and  
1734 expenses incurred by creditors in successfully opposing the release of  
1735 the Connecticut credit union from certain debts as allowed by the  
1736 commissioner; (6) all taxes owed to the United States or any other  
1737 governmental unit; (7) all other debts owed to the United States or any  
1738 other governmental unit; (8) claims of general creditors and secured  
1739 creditors to the extent that their claims exceed the value of their  
1740 collateral; (9) members, to the extent of uninsured share accounts, and  
1741 the organization that insured the share accounts of the Connecticut

1742 credit union; (10) in the event of liquidation of a Connecticut credit  
1743 union that is a corporate Connecticut credit union, as defined in  
1744 section 36a-435b, as amended, membership capital, and then paid-in  
1745 capital; and (11) in the event of liquidation of a Connecticut credit  
1746 union that has received a low-income designation from the National  
1747 Credit Union Administration under 12 CFR 701.34, as from time to  
1748 time amended, any outstanding secondary capital accounts.

1749 [(c)] (d) The holders of claims in any class set forth in this section  
1750 shall not receive any distribution until the holders of claims in all  
1751 classes having a higher priority under this section are paid in full. If  
1752 the [avails of the property] assets of any such Connecticut bank or  
1753 Connecticut credit union are insufficient to pay in full all of the claims  
1754 in a particular class, the [avails] assets shall be distributed to each  
1755 claimant within such class on a pro rata basis.

1756 Sec. 27. Subsection (a) of section 36a-239 of the general statutes is  
1757 repealed and the following is substituted in lieu thereof (*Effective from*  
1758 *passage*):

1759 (a) After a final disposition of funds as provided in sections 36a-236  
1760 and 36a-237, as amended by this act, the receiver, upon applying to the  
1761 superior court having jurisdiction and after such public notice as the  
1762 court may require, may be discharged from further liability. If no plan  
1763 of refinancing or reorganization has been approved by the court, the  
1764 charter or certificate of incorporation of the Connecticut bank or  
1765 certificate of authority of a Connecticut credit union in receivership  
1766 shall be forfeited upon the discharge of the receiver from further  
1767 liability.

1768 Sec. 28. (NEW) (*Effective from passage*) (a) A contract between a trust  
1769 bank or uninsured bank in receivership and another person for  
1770 bailment, of deposit for hire, or for the lease of a safe, vault or safe  
1771 deposit box terminates on the date specified for removal of property in  
1772 the notices that were published and mailed in accordance with section  
1773 36a-225 of the general statutes, as amended by this act, or a later date

1774 approved by the receiver or the Superior Court. A person who has  
1775 paid rental or storage charges for a period extending beyond the date  
1776 designated for removal of property has a claim against such bank's  
1777 state for a refund of the unearned amount paid.

1778 (b) If the property is not removed by the date the contract  
1779 terminates, the receiver shall inventory the property. In making the  
1780 inventory, the receiver may open a safe, vault or safe deposit box, or  
1781 any package, parcel, or receptacle in the custody or possession of the  
1782 receiver. The property shall be marked to identify, to the extent  
1783 possible, its owner or the person who left it with the bank. After all  
1784 property belonging to others that is in the receiver's custody and  
1785 control has been inventoried, the receiver shall compile a list that is  
1786 divided for each office of the bank that received property that remains  
1787 unclaimed. The receiver shall publish, in a newspaper of general  
1788 circulation in each town in which the bank had an office that received  
1789 property that remains unclaimed, the list and the names of the owners  
1790 of the property as shown in the bank's records. The published notice  
1791 shall specify a procedure for claiming the property unless the court, on  
1792 application of the receiver, approves an alternate procedure.

1793 Sec. 29. (NEW) (*Effective from passage*) (a) (1) The receiver of a trust  
1794 bank or uninsured bank shall, as soon after the receiver's appointment  
1795 as is practicable, terminate all fiduciary positions the bank holds,  
1796 surrender all property held by the bank as a fiduciary and settle the  
1797 fiduciary accounts. With the approval of the Superior Court, the  
1798 receiver of a trust bank or uninsured bank shall release all segregated  
1799 and identifiable fiduciary property held by the bank to one or more  
1800 successor fiduciaries, and may sell one or more fiduciary accounts to  
1801 one or more successor fiduciaries on terms that appear to be in the best  
1802 interest of the bank's estate and the persons interested in the property  
1803 or fiduciary accounts.

1804 (2) Upon the sale or transfer of fiduciary property or a fiduciary  
1805 account, the successor fiduciary shall be automatically substituted

1806 without further action and without any order of any court. Prior to the  
1807 effective date of substitution of the successor fiduciary, the receiver  
1808 shall mail notice of such substitution to each person to whom such  
1809 bank provides periodic reports of fiduciary activity. The notice shall  
1810 include: (A) The name of such bank, (B) the name of the successor  
1811 fiduciary, and (C) the effective date of the substitution of the successor  
1812 fiduciary. The provisions of section 45a-245a of the general statutes  
1813 shall not apply to the substitution of a fiduciary under this section.

1814 (b) A successor fiduciary shall have all of the rights, powers, duties  
1815 and obligations of such bank and shall be deemed to be named,  
1816 nominated or appointed as fiduciary in any will, trust, court order or  
1817 similar written document or instrument that names, nominates or  
1818 appoints such bank as fiduciary, whether executed before or after the  
1819 successor fiduciary is substituted, provided the successor fiduciary  
1820 shall have no obligations or liabilities under this section for any acts,  
1821 actions, inactions or events occurring prior to the effective date of the  
1822 substitution.

1823 (c) If commingled fiduciary money held by the trust bank or  
1824 uninsured bank as trustee is insufficient to satisfy all fiduciary claims  
1825 to the commingled money, the receiver shall distribute such money  
1826 pro rata to all fiduciary claimants of such money based on their  
1827 proportionate interest.

1828 (d) For the purpose of this section, "successor fiduciary" has the  
1829 meaning given to that term in section 45a-245a of the general statutes.

1830 Sec. 30. (NEW) (*Effective from passage*) (a) To receive payment of a  
1831 claim against the estate of a trust bank or uninsured bank in  
1832 receivership, a person who has a claim, other than a shareholder acting  
1833 in that capacity, including a claimant with a secured claim or a  
1834 fiduciary claimant ordered by the receiver to file a proof of claim  
1835 under subdivision (2) of subsection (b) of section 36a-225, as amended  
1836 by this act, shall present proof of the claim to the receiver at a place  
1837 specified by the receiver, within the period specified by the receiver.

1838 Receipt of the required proof of claim by the receiver is a condition  
1839 precedent to the payment of the claim. A claim that is not filed within  
1840 the period or at the place specified by the receiver may not participate  
1841 in a distribution of the assets by the receiver, except that, subject to  
1842 court approval, the receiver may accept a claim filed not later than the  
1843 one hundred eightieth day after the date notice of the claimant's right  
1844 to file a proof of claim is mailed to the claimant, provided such claim  
1845 shall be subordinate to an approved claim of a general creditor.  
1846 Interest does not accrue on any claim after the date the bank is placed  
1847 in receivership. The provisions of this subsection shall not apply to a  
1848 fiduciary claimant or depositor where the records of the bank in  
1849 receivership are sufficient to identify the fiduciary claimant's or  
1850 depositor's interest.

1851 (b) (1) The proof of claim against a trust bank or an uninsured bank  
1852 shall be in writing, be signed by the claimant, and include: (A) A  
1853 statement of the claim; (B) a description of the consideration for the  
1854 claim; (C) a statement of whether collateral is held or a security interest  
1855 is asserted against the claim and, if so, a description of the collateral or  
1856 security interest; (D) a statement of any right of priority of payment for  
1857 the claim or other specific right asserted by the claimant; (E) a  
1858 statement of whether a payment has been made on the claim and, if so,  
1859 the amount and source of the payment, to the extent known by the  
1860 claimant; (F) a statement that the amount claimed is justly owed by the  
1861 bank to the claimant; and (G) any other matter that is required by the  
1862 Superior Court.

1863 (2) The receiver may designate the form of the proof of claim. A  
1864 proof of claim shall be filed under oath unless the oath is waived by  
1865 the receiver. If a claim is founded on a written instrument, the original  
1866 instrument, unless lost or destroyed, shall be filed with the proof of  
1867 claim. After the instrument is filed, the receiver may permit the  
1868 claimant to substitute a copy of the instrument until the final  
1869 disposition of the claim. If the instrument is lost or destroyed, a  
1870 statement of that fact and of the circumstances of the loss or

1871 destruction shall be filed under oath with the claim.

1872 (c) A judgment against a trust bank or uninsured bank in  
1873 receivership taken by default or by collusion before the date the bank  
1874 was placed in receivership may not be considered as conclusive  
1875 evidence of the liability of the bank to the judgment creditor or of the  
1876 amount of damages to which the judgment creditor is entitled. A  
1877 judgment against the bank entered after the date the bank was placed  
1878 in receivership may not be considered as evidence of liability or of the  
1879 amount of damages.

1880 (d) (1) The owner of secured trust funds on deposit may file a claim  
1881 as a creditor against a trust bank or uninsured bank in receivership.  
1882 The value of the security shall be determined under supervision of the  
1883 Superior Court by converting the security into money.

1884 (2) The owner of a secured claim against a trust bank or uninsured  
1885 bank in receivership may surrender the security and file a claim as a  
1886 general creditor or apply the security to the claim and discharge the  
1887 claim.

1888 (3) If the owner applies the security and discharges the claim under  
1889 subdivision (2) of this subsection, any deficiency shall be treated as a  
1890 claim against the general assets of the bank on the same basis as a  
1891 claim of an unsecured creditor. The amount of the deficiency shall be  
1892 determined as provided by subsection (e) of this section, except that if  
1893 the amount of the deficiency has been adjudicated by a court in a  
1894 proceeding in which the receiver has had notice and an opportunity to  
1895 be heard, the court's decision is conclusive as to the amount.

1896 (4) The value of security held by a secured creditor shall be  
1897 determined under supervision of the court by converting the security  
1898 into money according to the terms of the agreement under which the  
1899 security was delivered to the creditor or by agreement, arbitration,  
1900 compromise or litigation between the creditor and the receiver.

1901 (e) (1) A claim against a trust bank or uninsured bank in  
1902 receivership based on an unliquidated or undetermined demand shall  
1903 be filed within the period for the filing of the claim. The claim may not  
1904 share in any distribution to claimants until the claim is definitely  
1905 liquidated, determined and allowed. After the claim is liquidated,  
1906 determined and allowed, the claim shares ratably with the claims of  
1907 the same class in all subsequent distributions.

1908 (2) If the receiver in all other respects is in a position to close the  
1909 receivership proceeding, the proposed closing is sufficient grounds for  
1910 the rejection of any remaining claim based on an unliquidated or  
1911 undetermined demand. The receiver shall notify the claimant of the  
1912 intention to close the proceeding. If the demand is not liquidated or  
1913 determined before the sixty-first day after the date of the notice, the  
1914 receiver may reject the claim.

1915 (3) For the purposes of this subsection, a demand is considered  
1916 unliquidated or undetermined if the right of action on the demand  
1917 accrued while the trust bank or uninsured bank was placed in  
1918 receivership and the liability on the demand has not been determined  
1919 or the amount of the demand has not been liquidated.

1920 (f) (1) Mutual credits and mutual debts shall be set off and only the  
1921 balance allowed or paid, except that a set-off may not be allowed in  
1922 favor of a person if: (A) The obligation of a trust bank or uninsured  
1923 bank to the person on the date the bank was placed in receivership did  
1924 not entitle the person to share as a claimant in the assets of the bank;  
1925 (B) the obligation of the bank to the person was purchased by or  
1926 transferred to the person after the date the bank was placed in  
1927 receivership or for the purpose of increasing set-off rights; or (C) the  
1928 obligation of the person or the bank is as a trustee or fiduciary.

1929 (2) Upon request, the receiver shall provide a person with an  
1930 accounting statement identifying each debt that is due and payable. A  
1931 person who owes a trust bank or uninsured bank an amount that is  
1932 due and payable against which the person asserts set-off of mutual

1933 credits that may become due and payable from the bank in the future  
1934 shall promptly pay to the receiver the amount due and payable. The  
1935 receiver shall promptly refund, to the extent of the person's prior  
1936 payment, mutual credits that become due and payable to the person by  
1937 the bank in receivership.

1938 (g) (1) Not later than six months after the last day permitted for the  
1939 filing of claims or a later date allowed by the Superior Court, the  
1940 receiver shall accept or reject in whole or in part each claim filed  
1941 against a trust bank or an uninsured bank in receivership, except for an  
1942 unliquidated or undetermined claim governed by subsection (e) of this  
1943 section. The receiver shall reject a claim if the receiver doubts its  
1944 validity.

1945 (2) The receiver shall mail written notice to each claimant,  
1946 specifying the disposition of the person's claim. If a claim is rejected in  
1947 whole or in part, the receiver in the notice shall specify the basis for  
1948 rejection and advise the claimant of the procedures and deadline for  
1949 appeal.

1950 (3) The receiver shall send each claimant a summary schedule of  
1951 approved and rejected claims by priority class and notify the claimant:  
1952 (A) That a copy of a schedule of claims disposition, including only the  
1953 name of the claimant, the amount of the claim allowed, and the  
1954 amount of the claim rejected, is available upon request; and (B) of the  
1955 procedure and deadline for filing an objection to an approved claim.

1956 (h) The receiver of a trust bank or uninsured bank, with the  
1957 approval of the Superior Court, shall set a deadline for an objection to  
1958 an approved claim. On or before that date, a depositor, creditor, other  
1959 claimant or shareholder of a trust bank or uninsured bank may file an  
1960 objection to an approved claim. The objection shall be heard and  
1961 determined by the court. If the objection is sustained, the court shall  
1962 direct an appropriate modification of the schedule of claims.

1963 (i) The receiver's rejection of a claim may be appealed to the

1964 Superior Court in which the receivership proceeding of a trust bank or  
1965 uninsured bank is pending. The appeal shall be filed within three  
1966 months after the date of service of notice of the rejection. If the appeal  
1967 is timely filed, review is de novo as if it were an action originally filed  
1968 in the court, and is subject to the rules of procedure and appeal  
1969 applicable to civil cases. An action to appeal rejection of a claim by the  
1970 receiver is separate from the receivership proceeding, and may not be  
1971 initiated by a claimant intervening in the receivership proceeding. If  
1972 the action is not timely filed, the action of the receiver is final and not  
1973 subject to review.

1974 (j) (1) The Banking Commissioner shall deposit all money available  
1975 for the benefit of persons who have not filed a claim and are, according  
1976 to bank's records, depositors and creditors of a trust bank or uninsured  
1977 bank in receivership in a bank, Connecticut credit union, federal credit  
1978 union, an out-of-state bank that maintains in this state a branch, as  
1979 defined in section 36a-410 of the general statutes, or out-of-state credit  
1980 union that maintains in this state a branch, as defined in section 36a-  
1981 435b of the general statutes, as amended. The commissioner shall pay  
1982 the nonclaiming depositors and creditors on demand the undisputed  
1983 amount, based on the bank's records, held for their benefit.

1984 (2) The receiver may periodically make a partial distribution to the  
1985 holders of approved claims if: (A) All objections have been heard and  
1986 decided as provided by subsection (h) of this section; (B) the time for  
1987 filing appeals has expired as provided by subsection (i) of this section;  
1988 (C) money has been made available to provide for the payment of all  
1989 nonclaiming depositors and creditors in accordance with subdivision  
1990 (1) of this subsection; and (D) a proper reserve is established for the  
1991 pro rata payment of: (i) Rejected claims that have been appealed, and  
1992 (ii) any claims based on unliquidated or undetermined demands  
1993 governed by subsection (e) of this section.

1994 (3) As soon as practicable after all objections, appeals and claims  
1995 based on previously unliquidated or undetermined demands

1996 governed by subsection (e) of this section have been determined and  
1997 money has been made available to provide for the payment of all  
1998 nonclaiming depositors and creditors in accordance with subdivision  
1999 (1) of this subsection, the receiver shall distribute the assets of a trust  
2000 bank or uninsured bank in satisfaction of approved claims other than  
2001 claims asserted in a person's capacity as a shareholder.

2002       Sec. 31. (NEW) (*Effective from passage*) (a) All fiduciary records  
2003 relating to the administration of fiduciary accounts of a trust bank or  
2004 uninsured bank shall be turned over to the successor fiduciary, as  
2005 defined in section 45a-245a of the general statutes, in charge of  
2006 administration of the accounts. The receiver may devise a method for  
2007 the effective, efficient and economical maintenance of all other records  
2008 of the trust bank or uninsured bank and of the receiver's office.

2009       (b) On approval by the Superior Court, the receiver may dispose of  
2010 records of the trust bank or uninsured bank in receivership that are  
2011 obsolete and unnecessary to the continued administration of the  
2012 receivership proceeding.

2013       Sec. 32. (NEW) (*Effective from passage*) (a) For the purposes of this  
2014 section, persons entitled to protection under this section shall be: (1)  
2015 All receivers or conservators of trust banks or uninsured banks,  
2016 including present and former receivers and conservators; and (2) the  
2017 employees of such receivers or conservators. Attorneys, accountants,  
2018 auditors and other professional persons or firms who are retained by  
2019 the receiver or conservator as independent contractors, and their  
2020 employees, shall not be considered employees of the receiver or  
2021 conservator for purposes of this section.

2022       (b) The receiver or conservator and the employees of the receiver or  
2023 conservator shall be immune from suit and liability, both personally  
2024 and in their official capacities, for any claim for damage to or loss of  
2025 property, personal injury or other civil liability caused by or resulting  
2026 from any alleged act, error or omission of the receiver or conservator  
2027 or any employee arising out of or by reason of their duties or

2028 employment, provided nothing in this section shall be construed to  
2029 hold the receiver or conservator or any employee immune from suit or  
2030 liability for any damage, loss, injury or liability caused by the  
2031 intentional or wilful and wanton misconduct of the receiver or  
2032 conservator or any employee.

2033 (c) (1) If any legal action is commenced against the receiver or  
2034 conservator or any employee, whether personally or in such person's  
2035 official capacity, alleging property damage, property loss, personal  
2036 injury or other civil liability caused by or resulting from any alleged  
2037 act, error or omission of the receiver or conservator or any employee  
2038 arising out of or by reason of their duties or employment, the receiver  
2039 or conservator and any employee shall be indemnified from the assets  
2040 of the trust bank or uninsured bank for all expenses, attorneys' fees,  
2041 judgments, settlements, decrees or amounts due and owing or paid in  
2042 satisfaction of or incurred in the defense of such legal action unless it is  
2043 determined upon a final adjudication on the merits that the alleged act,  
2044 error or omission of the receiver or conservator or employee giving  
2045 rise to the claim did not arise out of or by reason of such person's  
2046 duties or employment, or was caused by intentional or wilful and  
2047 wanton misconduct.

2048 (2) Attorneys' fees and any related expenses incurred in defending a  
2049 legal action for which immunity or indemnity is available under this  
2050 section shall be paid from the assets of the trust bank or uninsured  
2051 bank, as they are incurred, in advance of the final disposition of such  
2052 action upon receipt of an undertaking by or on behalf of the receiver or  
2053 conservator or employee to repay the attorneys' fees and expenses if it  
2054 shall ultimately be determined upon a final adjudication on the merits  
2055 that the receiver or conservator or employee is not entitled to  
2056 immunity or indemnity under this section.

2057 (3) Any indemnification for expense payments, judgments,  
2058 settlements, decrees, attorneys' fees, surety bond premiums or other  
2059 amounts paid or to be paid from the assets of the trust bank or

2060 uninsured bank pursuant to this section shall be an administrative  
2061 expense of the receivership or conservatorship.

2062 (4) In the event of any actual or threatened litigation against a  
2063 receiver or conservator or any employee for which immunity or  
2064 indemnity may be available under this section, a reasonable amount of  
2065 funds, which in the judgment of the receiver or conservator may be  
2066 needed to provide immunity or indemnity, shall be segregated and  
2067 reserved from the assets of the trust bank or uninsured bank as  
2068 security for the payment of indemnity until such time as all applicable  
2069 statutes of limitation shall have run and all actual or threatened actions  
2070 against the receiver or conservator or any employee have been  
2071 completely and finally resolved, and all obligations of the trust bank or  
2072 uninsured bank and the commissioner under this section shall have  
2073 been satisfied.

2074 (5) In lieu of segregation and reserving of funds, the receiver or  
2075 conservator may, in the receiver's or conservator's discretion, obtain a  
2076 surety bond or make other arrangements that will enable the receiver  
2077 or conservator to fully secure the payment of all obligations under this  
2078 section.

2079 (d) If any legal action against an employee for which indemnity may  
2080 be available under this section is settled prior to final adjudication on  
2081 the merits, the receiver or conservator shall pay from the assets of the  
2082 bank the settlement amount on behalf of the employee or indemnify  
2083 the employee for the settlement amount unless the receiver or  
2084 conservator determines:

2085 (1) That the claim did not arise out of or by reason of the employee's  
2086 duties or employment; or

2087 (2) That the claim was caused by the intentional or wilful and  
2088 wanton misconduct of the employee.

2089 (e) In any legal action in which the receiver or conservator is a

2090 defendant, that portion of any settlement relating to the alleged act,  
2091 error or omission of the receiver or conservator shall be subject to the  
2092 approval of the Superior Court before which the receivership  
2093 proceeding or conservatorship is pending. The court shall not approve  
2094 that portion of the settlement if it determines:

2095 (1) That the claim did not arise out of or by reason of the receiver's  
2096 or conservator's duties or employment; or

2097 (2) That the claim was caused by the intentional or wilful and  
2098 wanton misconduct of the receiver or conservator.

2099 (f) Nothing contained or implied in this section shall operate, or be  
2100 construed or applied to deprive the receiver or conservator or any  
2101 employee of any immunity, indemnity, benefits of law, rights or any  
2102 defense otherwise available.

2103 (g) (1) The provisions of subsection (b) of this section shall apply to  
2104 any suit based in whole or in part on any alleged act, error or omission  
2105 which takes place on or after the effective date of this act.

2106 (2) No legal action shall lie against the receiver or conservator or  
2107 any employee based in whole or in part on any alleged act, error or  
2108 omission which took place prior to the effective date of this act, unless  
2109 suit is filed and valid service of process is obtained not later than  
2110 twelve months after the effective date of this act.

2111 (3) Subsections (c) to (e), inclusive, of this section shall apply to any  
2112 suit which is pending on or filed after the effective date of this act,  
2113 without regard to when the alleged act, error or omission took place.

2114 Sec. 33. Subsection (b) of section 36a-250 of the general statutes is  
2115 repealed and the following is substituted in lieu thereof (*Effective from*  
2116 *passage*):

2117 (b) A [Connecticut] trust bank [which is organized to function solely  
2118 in a fiduciary capacity] shall not be authorized to exercise any of the

2119 powers enumerated in this section to the extent that such exercise  
2120 would cause it to function otherwise than in a fiduciary capacity,  
2121 including, but not limited to, receiving or holding deposits of any kind,  
2122 other than in a fiduciary capacity, or making loans or otherwise  
2123 extending credit, other than in a fiduciary capacity.

2124 Sec. 34. Subsection (a) of section 36a-333 of the general statutes, as  
2125 amended by section 9 of public act 03-196, is repealed and the  
2126 following is substituted in lieu thereof (*Effective from passage*):

2127 (a) To secure public deposits, each qualified public depository shall  
2128 at all times maintain, segregated from its other assets as provided in  
2129 subsection (b) of this section, eligible collateral in an amount at least  
2130 equal to the following percentage of public deposits held by the  
2131 depository: (1) For any qualified public depository having a risk-based  
2132 capital ratio of ten per cent or greater, a sum equal to ten per cent of all  
2133 public deposits held by the depository; (2) for any qualified public  
2134 depository having a risk-based capital ratio of less than ten per cent  
2135 but greater than or equal to eight per cent, a sum equal to twenty-five  
2136 per cent of all public deposits held by the depository; (3) for any  
2137 qualified public depository having a risk-based capital ratio of less  
2138 than eight per cent but greater than or equal to three per cent, a sum  
2139 equal to one hundred per cent of all public deposits held by the  
2140 depository; (4) for any qualified public depository having a risk-based  
2141 capital ratio of less than three per cent, and, notwithstanding the  
2142 provisions of subdivisions (1) to (3), inclusive, of this subsection, for  
2143 any qualified public depository which has been conducting business in  
2144 this state for a period of less than two years except for a qualified  
2145 public depository that is a successor institution to a qualified public  
2146 depository which conducted business in this state for two years or  
2147 more, a sum equal to one hundred and twenty per cent of all public  
2148 deposits held by the depository; provided, the qualified public  
2149 depository and the public depositor may agree on an amount of  
2150 eligible collateral to be maintained by the depository that is greater  
2151 than the minimum amounts required under subdivisions (1) to (4),

2152 inclusive, of this subsection; (5) notwithstanding the risk-based capital  
2153 ratio provisions of subdivisions (1) to (3), inclusive, of this subsection,  
2154 for any qualified public depository that is an uninsured bank, [as  
2155 defined in subdivision (1) of subsection (t) of section 36a-70,] a sum  
2156 equal to one hundred twenty per cent of all public deposits held by the  
2157 depository; and (6) notwithstanding the risk-based capital ratio  
2158 provisions of subdivisions (1) to (3), inclusive, of this subsection, for  
2159 any qualified public depository that is subject to an order to cease and  
2160 desist, or has entered into a stipulation and agreement, or a letter of  
2161 understanding and agreement with a bank or credit union supervisor,  
2162 a sum equal to one hundred twenty per cent of all public deposits held  
2163 by the depository, provided, the qualified public depository and the  
2164 public depositor may agree on an amount of eligible collateral to be  
2165 maintained by the depository that is greater than the minimum  
2166 amounts required under subdivisions (1) to (6), inclusive, of this  
2167 subsection. For purposes of this subsection, the amount of all public  
2168 deposits held by the depository shall be determined based on either  
2169 the public deposits reported on the most recent quarterly call report or  
2170 the average of the public deposits reported on the four most recent  
2171 quarterly call reports, whichever amount is greater. For purposes of  
2172 this subsection, the depository's risk-based capital ratio shall be  
2173 determined, in accordance with applicable federal regulations and  
2174 regulations adopted by the commissioner in accordance with chapter  
2175 54, based on the most recent quarterly call report, provided (A) if,  
2176 during any calendar quarter after the issuance of such report, the  
2177 depository experiences a decline in its risk-based capital ratio to a level  
2178 that would require the depository to maintain a higher amount of  
2179 eligible collateral under subdivisions (1) to (4), inclusive, of this  
2180 subsection, the depository shall increase the amount of eligible  
2181 collateral maintained by it to the minimum required under  
2182 subdivisions (1) to (4), inclusive, of this subsection based on such lower  
2183 risk-based capital ratio and shall notify the commissioner of its actions;  
2184 and (B) if, during any calendar quarter after the issuance of such  
2185 report, the commissioner reasonably determines that the depository's

2186 risk-based capital ratio is likely to decline to a level that would require  
2187 the depository to maintain a higher amount of eligible collateral under  
2188 subdivisions (1) to (4), inclusive, of this subsection, the commissioner  
2189 may require that the depository increase the amount of eligible  
2190 collateral maintained by it to the minimum required under  
2191 subdivisions (1) to (4), inclusive, of this subsection based on the  
2192 commissioner's determination of such lower risk-based capital ratio.

2193 Sec. 35. Subsection (a) of section 36a-434a of the general statutes is  
2194 repealed and the following is substituted in lieu thereof (*Effective from*  
2195 *passage*):

2196 (a) Any out-of-state trust company, whether or not owned or  
2197 controlled by an out-of-state holding company or a foreign banking  
2198 corporation, as defined in subsection (a) of section 36a-425, may, with  
2199 the approval of the commissioner, establish and maintain an office in  
2200 this state to act as a fiduciary or engage in a trust business in this state,  
2201 provided the laws of the state in which such trust company is  
2202 chartered authorize (1) similar companies chartered in this state to act  
2203 as a fiduciary, and (2) trust banks [organized to function solely in a  
2204 fiduciary capacity] to establish and maintain such office in such state.  
2205 Such approved out-of-state trust company shall be deemed to transact  
2206 business in this state for the purposes of section 33-920, subsection (a)  
2207 of section 33-1210, section 34-223 or section 34-429 and shall comply  
2208 with the applicable requirements of said sections. Application for  
2209 approval to establish and maintain an office pursuant to this section  
2210 shall be made on forms prescribed by the commissioner. Such  
2211 application shall state the minimum equity capital of the out-of-state  
2212 trust company which shall be at least two million dollars. Such  
2213 application shall be accompanied by evidence of compliance with the  
2214 applicable requirements of the regulator in the state in which the out-  
2215 of-state trust company is chartered for the establishment and  
2216 maintenance of such office and the bond required under section 36a-  
2217 434b. The out-of-state trust company shall pay to the commissioner, at  
2218 the time of making such application, a nonrefundable fee of one

2219 thousand five hundred dollars. The commissioner shall approve or  
2220 disapprove the application within thirty days after the application has  
2221 been filed with the commissioner. The thirty-day period of review may  
2222 be extended by the commissioner, in writing, on a determination that  
2223 the application raises issues that require additional information or  
2224 additional time for analysis.

2225 Sec. 36. Subdivision (1) of subsection (a) of section 36a-210 of the  
2226 general statutes, as amended by section 6 of public act 03-196 and  
2227 section 16 of public act 03-259, is repealed and the following is  
2228 substituted in lieu thereof (*Effective from passage*):

2229 (a) (1) With the approval of the commissioner, a Connecticut bank  
2230 may transfer all or a significant part of its assets or business to a bank.  
2231 The transferring bank [must] shall have been in existence and  
2232 continuously operating for at least five years unless the commissioner  
2233 waives this requirement. The commissioner shall not approve such  
2234 transfer if (A) the acquiring bank, including all insured depository  
2235 institutions which are affiliates of such bank, upon consummation of  
2236 the transfer, would control thirty per cent or more of the total amount  
2237 of deposits of insured depository institutions in this state, unless the  
2238 commissioner permits a greater percentage of such deposits, or (B) the  
2239 programs, policies and procedures relating to anti-money-laundering  
2240 activities of the [purchasing] acquiring institution are inadequate, or  
2241 the [purchasing] acquiring institution does not have a record of  
2242 compliance with anti-money-laundering laws and regulations. The  
2243 transferring and acquiring banks shall file with the commissioner a  
2244 written agreement approved and executed by a majority of the  
2245 governing board of each bank prescribing the terms and conditions of  
2246 the transaction. In the case of a transfer of all of the assets and business  
2247 of the transferring bank, the terms of the agreement shall at least  
2248 provide for full payment of the amounts due depositors and creditors  
2249 of the transferring bank. Payment for all or part of the assets and  
2250 business of the transferring bank may be made in cash or by making  
2251 available on demand to depositors and other creditors thereof funds

2252 on deposit with the acquiring bank. Prior to the transfer of all or  
2253 substantially all of the assets and business of a Connecticut bank  
2254 pursuant to this section, such bank shall obtain authorization for the  
2255 transfer by the affirmative vote of at least: (i) Two-thirds of the voting  
2256 power of the outstanding shares of each class of stock, whether or not  
2257 otherwise entitled to vote, in the case of a capital stock Connecticut  
2258 bank; (ii) two-thirds of the voting power of the depositors, in the case  
2259 of a mutual savings and loan association; and (iii) two-thirds of the  
2260 governing board and two-thirds of the voting power of the  
2261 corporators, in the case of mutual savings bank, which voting power  
2262 shall, in any event, be no less than twenty-five corporators. In lieu of  
2263 such vote, the commissioner may certify in writing that the protection  
2264 of depositors or creditors of the transferring bank requires that the  
2265 transfer proceed without delay.

2266 Sec. 37. Subsection (a) of section 36a-412 of the general statutes, as  
2267 amended by section 7 of public act 03-196, is repealed and the  
2268 following is substituted in lieu thereof (*Effective from passage*):

2269 (a) (1) Any out-of-state bank, whether or not owned or controlled  
2270 by an out-of-state holding company, may, with the approval of the  
2271 commissioner, merge or consolidate with or acquire a branch or  
2272 significant part of the assets or ten per cent or more of the stock of a  
2273 bank provided such bank has been in existence and continuously  
2274 operating for at least five years, unless the commissioner waives this  
2275 requirement, where the institution resulting from any such merger or  
2276 consolidation is an out-of-state bank, provided the laws of the home  
2277 state of such out-of-state bank authorize, under conditions no more  
2278 restrictive than those imposed by the laws of this state as determined  
2279 by the commissioner, a bank to merge or consolidate with or purchase  
2280 a branch or significant part of the assets or ten per cent or more of the  
2281 stock of an out-of-state bank whose home state is such state. Such  
2282 merger, consolidation or acquisition shall not take place if the out-of-  
2283 state bank, including all insured depository institutions which are  
2284 affiliates of the out-of-state bank, upon consummation of the merger,

2285 consolidation or acquisition, would control thirty per cent or more of  
2286 the total amount of deposits of insured depository institutions in this  
2287 state, unless the commissioner permits a greater percentage of such  
2288 deposits. Any such merger, consolidation or acquisition of assets or  
2289 stock shall be effected in accordance with and subject to the filing  
2290 requirements and any limitations imposed by the laws of this state  
2291 with respect to mergers, consolidations and acquisitions between  
2292 banks. Any such out-of-state bank that engages in business in this state  
2293 shall comply with the requirements of section 33-920 or subsection (a)  
2294 of section 33-1210. Before approving any such merger, consolidation or  
2295 acquisition, the commissioner shall make such considerations,  
2296 determinations and findings as required by the laws of this state with  
2297 respect to mergers, consolidations and acquisitions between banks  
2298 and, in addition, shall consider whether such merger, consolidation or  
2299 acquisition can reasonably be expected to produce benefits to the  
2300 public and whether such benefits clearly outweigh possible adverse  
2301 effects, including, but not limited to, an undue concentration of  
2302 resources and decreased or unfair competition. The commissioner shall  
2303 not approve such merger, consolidation or acquisition unless the  
2304 commissioner considers whether: (A) The investment and lending  
2305 policies of the out-of-state bank, in the case of a merger or acquisition  
2306 of assets, or the proposed investment and lending policies of the bank,  
2307 in the case of an acquisition of stock, or of the institution that will  
2308 result from a consolidation, are consistent with safe and sound  
2309 banking practices and will benefit the economy of this state; (B) the  
2310 services of the bank or branch to be acquired, or of the institution that  
2311 will result from a merger, or the proposed services of the institution  
2312 that will result from a consolidation, are consistent with safe and  
2313 sound banking practices and will benefit the economy of this state; (C)  
2314 the merger, consolidation or acquisition will not substantially lessen  
2315 competition in the banking industry of this state; (D) in the case of a  
2316 merger or consolidation or the acquisition of twenty-five per cent or  
2317 more of such stock, the out-of-state bank (i) has sufficient capital to  
2318 ensure, and agrees to ensure, that the bank to be acquired or the

2319 institution that will result from the merger or consolidation will  
2320 comply with applicable minimum capital requirements, and (ii) has  
2321 sufficient managerial resources to operate the bank to be acquired or  
2322 the institution that will result from the merger or consolidation in a  
2323 safe and sound manner; and (E) the out-of-state bank is in compliance  
2324 with applicable minimum capital requirements. The commissioner  
2325 shall not approve such merger, consolidation or acquisition unless the  
2326 commissioner makes the findings required by section 36a-34. Any out-  
2327 of-state bank that merges or consolidates with or acquires a branch  
2328 pursuant to this subdivision may establish additional branches in this  
2329 state. [in accordance with section 36a-145.]

2330 (2) Any out-of-state bank, other than a foreign bank, may, with the  
2331 approval of the commissioner, and in accordance with the provisions  
2332 of this subdivision, establish a de novo branch in this state. Such  
2333 establishment shall not take place unless the laws of the home state of  
2334 such out-of-state bank authorize, under conditions no more restrictive  
2335 than those imposed by the laws of this state, as determined by the  
2336 commissioner, a bank to establish a de novo branch in the home state  
2337 of such out-of-state bank, provided the commissioner may waive such  
2338 reciprocity requirement for the establishment of a de novo branch the  
2339 activities of which are limited to the exercise of fiduciary or trust  
2340 powers if the commissioner finds that such establishment will result in  
2341 net new benefits to this state. Any request for such waiver of  
2342 reciprocity submitted by an out-of-state bank shall include a detailed  
2343 statement of the reasons for the request and statistical and other  
2344 information to support a finding of such net new benefits. Any such  
2345 establishment shall be effected in accordance with and subject to the  
2346 filing requirements and any limitations imposed by section 36a-145, as  
2347 amended. Any such out-of-state bank that engages in business in this  
2348 state shall comply with the requirements of section 33-920 or  
2349 subsection (a) of section 33-1210. Before approving any such  
2350 establishment, the commissioner shall make such considerations,  
2351 determinations and findings as required by section 36a-145, as  
2352 amended, and, in addition, shall consider whether such establishment

2353 can reasonably be expected to produce benefits to the public and  
2354 whether such benefits clearly outweigh possible adverse effects,  
2355 including, but not limited to, an undue concentration of resources and  
2356 decreased or unfair competition. The commissioner shall not approve  
2357 such establishment unless the commissioner considers whether: (A)  
2358 The investment and lending policies of the out-of-state bank are  
2359 consistent with safe and sound banking practices and will benefit the  
2360 economy of this state; (B) the proposed services of the branch are  
2361 consistent with safe and sound banking practices and will benefit the  
2362 economy of this state; (C) the establishment will not substantially  
2363 lessen competition in this state; (D) the out-of-state bank is adequately  
2364 managed and will continue to be adequately managed upon  
2365 establishment of such branch; and (E) the out-of-state bank is in  
2366 compliance with applicable minimum capital requirements. The  
2367 commissioner shall not approve such establishment unless the  
2368 commissioner makes the findings required by section 36a-34. An  
2369 out-of-state bank which has established a de novo branch in this state  
2370 in accordance with this subdivision may establish additional branches  
2371 in this state, [in accordance with section 36a-145,] provided the  
2372 activities of such additional branches of an out-of-state bank for which  
2373 the commissioner waived such reciprocity requirement shall be limited  
2374 to the exercise of fiduciary or trust powers. As used in this subdivision,  
2375 "net new benefits" means (i) initial capital investments, including any  
2376 new construction, (ii) job creation plans, including, but not limited to,  
2377 the number of jobs to be created and the average wage rates for each  
2378 category of such jobs, (iii) the potential for increasing state and  
2379 municipal tax revenues from increased economic activity and  
2380 increased employment, (iv) consumer and business services and other  
2381 benefits to the state, local community and citizens, and (v) such other  
2382 matters as the commissioner may deem necessary or advisable.

2383 (3) Any out-of-state bank, regardless of whether it has a branch in  
2384 this state, may merge or consolidate with or acquire a branch in this  
2385 state of an out-of-state bank that has a branch in this state.

2386 (4) (A) Except as provided in this section, the laws of this state shall  
2387 apply to any branch in this state of an out-of-state bank to the same  
2388 extent as such laws would apply if the branch were a federal bank,  
2389 provided the following laws shall apply to any branch in this state of  
2390 an out-of-state bank to the same extent as such laws apply to a branch  
2391 of a Connecticut bank: (i) Community reinvestment laws including  
2392 sections 36a-30 to 36a-33, inclusive, (ii) consumer protection laws  
2393 including sections 36a-41 to 36a-45, inclusive, 36a-290 to 36a-304,  
2394 inclusive, 36a-306, 36a-307, 36a-315 to 36a-323, inclusive, 36a-645 to  
2395 36a-647, inclusive, 36a-690, 36a-695 to 36a-700, inclusive, 36a-705 to  
2396 36a-707, inclusive, 36a-715 to 36a-718, inclusive, 36a-725, 36a-726, 36a-  
2397 755 to 36a-759, inclusive, 36a-770 to 36a-788, inclusive, as amended,  
2398 and 36a-800 to 36a-810, inclusive, as amended, (iii) fair lending laws  
2399 including sections 36a-16, 36a-737, as amended, 36a-740 and 36a-741,  
2400 and (iv) branching laws including sections 36a-23 and 36a-145, as  
2401 amended.

2402 (B) Except as provided in this section, an out-of-state bank, other  
2403 than a federally-chartered out-of-state bank, that establishes a branch  
2404 in this state may conduct any activity at such branch (i) if such activity  
2405 is permissible under the laws of the home state of such out-of-state  
2406 bank, and (ii) to the same extent as such activity is permissible for  
2407 either a Connecticut bank or a branch in this state of a federally-  
2408 chartered out-of-state bank. If the commissioner determines that a  
2409 branch in this state of an out-of-state bank, other than a federally-  
2410 chartered out-of-state bank, is being operated in violation of any  
2411 applicable law of this state or in an unsafe and unsound manner, the  
2412 commissioner may take any enforcement action authorized under this  
2413 title against such out-of-state bank to the same extent as if such branch  
2414 were a Connecticut bank, provided the commissioner shall promptly  
2415 give notice of such action to the home state banking regulator of such  
2416 out-of-state bank and, to the extent practicable, shall consult and  
2417 cooperate with such regulator in pursuing and resolving such action.

2418 (5) Any out-of-state bank that merges or consolidates with or

2419 acquires the assets of a bank or establishes in this state a de novo  
2420 branch shall be subject to the supervision and examination of the  
2421 commissioner pursuant to regulations adopted by the commissioner in  
2422 accordance with chapter 54 and shall make reports to the  
2423 commissioner as required by the laws of this state. The commissioner  
2424 may examine and supervise the Connecticut branches of any such out-  
2425 of-state bank and may enter into agreements with other state or federal  
2426 banking regulators or similar regulators in a foreign country  
2427 concerning such examinations or supervision. Any such agreement  
2428 may include provisions concerning the assessment or sharing of fees  
2429 for such examination or supervision. Unless waived by the  
2430 commissioner, the provisions of this section shall apply to the  
2431 acquisition of the assets of any bank from the receiver of such bank by  
2432 any out-of-state bank.

2433 Sec. 38. Subdivision (1) of subsection (h) of section 36a-437a of the  
2434 general statutes, as amended by section 2 of public act 03-35 and  
2435 section 47 of public act 03-84, is repealed and the following is  
2436 substituted in lieu thereof (*Effective from passage*):

2437 (h) (1) The bylaws of a Connecticut credit union shall specify at least  
2438 the following: (A) The name of the credit union; (B) the field of  
2439 membership of the credit union and the qualifications for membership;  
2440 (C) the par value of shares; (D) the number and terms of directors and  
2441 appointed directors, if applicable, and procedures for their election or  
2442 appointment; (E) the duties of the members of senior management; (F)  
2443 the manner in which a credit committee, credit manager, loan officer or  
2444 any combination thereof shall be responsible for the credit functions of  
2445 the credit union; (G) the manner of conducting the annual meeting and  
2446 the provisions for voting; (H) conditions for payment on, receipt of or  
2447 withdrawal of shares and deposits; and (I) such other matters as the  
2448 governing board deems necessary.

2449 Sec. 39. Section 36a-455a of the general statutes, as amended by  
2450 section 56 of public act 03-84 and section 12 of public act 03-196, is

2451 repealed and the following is substituted in lieu thereof (*Effective from*  
2452 *passage*):

2453 A Connecticut credit union may:

2454 (1) Transact a general credit union business and exercise by its  
2455 governing board or duly authorized members of senior management,  
2456 subject to applicable law, all such incidental powers as are consistent  
2457 with its purposes. The express powers authorized for a Connecticut  
2458 credit union under this section do not preclude the existence of  
2459 additional powers deemed to be incidental to the transaction of a  
2460 general credit union business pursuant to this subdivision;

2461 (2) (A) Issue shares to its members and receive payments on shares  
2462 from its members and from those nonmembers specified in subsection  
2463 (e) of section 36a-456a, as amended, subject to the provisions of  
2464 sections 36a-290 to 36a-297, inclusive, 36a-330 to 36a-338, inclusive, and  
2465 section 36a-456a, as amended, (B) receive deposits of members and  
2466 nonmembers subject to provisions of sections 36a-456a, as amended,  
2467 and 36a-456b, (C) reduce the amount of its member and nonmember  
2468 shares and deposits, and (D) expel members and cancel shares in  
2469 accordance with section 36a-439a;

2470 (3) Make and use its best efforts to make secured and unsecured  
2471 extensions of credit to its members in accordance with section 36a-265  
2472 and sections 36a-457a, as amended, 36a-457b, as amended, and 36a-  
2473 458a, as amended;

2474 (4) Invest its funds in accordance with section 36a-459a, as  
2475 amended;

2476 (5) Declare and pay dividends in accordance with sections 36a-441a,  
2477 as amended, and 36a-456c, as amended, and pay interest refunds to  
2478 borrowers;

2479 (6) Act as a finder or agent for the sale of insurance and fixed and  
2480 variable rate annuities directly, sell insurance and such annuities

2481 indirectly through a Connecticut credit union service organization, or  
2482 enter into arrangements with third-party marketing organizations for  
2483 the sale by such third-party marketing organizations of insurance or  
2484 such annuities on the premises of the Connecticut credit union or to  
2485 members of the Connecticut credit union, provided: (A) Such  
2486 insurance and annuities are issued or purchased by or from an  
2487 insurance company licensed in accordance with section 38a-41; and (B)  
2488 the Connecticut credit union, Connecticut credit union service  
2489 organization or third-party marketing organization, and any officer  
2490 and employee thereof, shall be licensed as required by section 38a-769  
2491 before engaging in any of the activities authorized by this subdivision.  
2492 As used in this subdivision, "annuities" and "insurance" have the same  
2493 meanings as set forth in section 38a-41, except that "insurance" does  
2494 not include title insurance. The provisions of this subdivision do not  
2495 authorize a Connecticut credit union or Connecticut credit union  
2496 service organization to underwrite insurance or annuities;

2497 (7) Borrow money to an amount not exceeding fifty per cent of the  
2498 total assets of the Connecticut credit union provided the credit union  
2499 shall give prior notice to the commissioner in writing of its intention to  
2500 borrow amounts in excess of thirty-five per cent of its total assets;

2501 (8) Act as fiscal agent for the federal government, this state or any  
2502 agency or political subdivision thereof;

2503 (9) Provide loan processing, loan servicing, member check and  
2504 money order cashing services, disbursement of share withdrawals and  
2505 loan proceeds, money orders, internal audits, automated teller  
2506 machine services and other similar services to other Connecticut credit  
2507 unions, federal credit unions and out-of-state credit unions;

2508 (10) Provide finder services to its members, including the offering of  
2509 third party products and services through the sale of advertising space  
2510 on its web site, account statements and receipts, and the sale of  
2511 statistical or consumer financial information to outside vendors in  
2512 accordance with sections 36a-40 to 36a-45, inclusive, in order to

2513 facilitate the sale of such products to the members of such Connecticut  
2514 credit union;

2515 (11) With the prior approval of the commissioner, exercise fiduciary  
2516 powers;

2517 (12) Maintain and rent safe deposit boxes within suitably  
2518 constructed vaults, provided the Connecticut credit union has  
2519 adequate insurance coverage for losses related to such rental;

2520 (13) Provide certification services, including notary services,  
2521 signature guaranties, certification of electronic signatures and share  
2522 draft certifications;

2523 (14) Act as agent (A) in the collection of taxes for any qualified  
2524 treasurer of any taxing district or qualified collector of taxes, or (B) for  
2525 any electric, electric distribution, gas, water or telephone company  
2526 operating within this state in receiving moneys due such company for  
2527 utility services furnished by it;

2528 (15) Issue and sell securities which (A) are guaranteed by the  
2529 Federal National Mortgage Association or any other agency or  
2530 instrumentality authorized by state or federal law to create a  
2531 secondary market with respect to extensions of credit of the type  
2532 originated by the Connecticut credit union, or (B) subject to the  
2533 approval of the commissioner, relate to extensions of credit originated  
2534 by the Connecticut credit union and are guaranteed or insured by a  
2535 financial guaranty insurance company or comparable private entity;

2536 (16) Establish a charitable fund, either in the form of a charitable  
2537 trust or a nonprofit corporation to assist in making charitable  
2538 contributions, provided (A) the trust or nonprofit corporation is  
2539 exempt from federal income taxation and may accept charitable  
2540 contributions under Section 501 of the Internal Revenue Code of 1986,  
2541 or any subsequent corresponding internal revenue code of the United  
2542 States, as from time to time amended, (B) the trust or nonprofit

2543 corporation's operations are disclosed fully to the commissioner upon  
2544 request, and (C) the trust department of the credit union or one or  
2545 more directors or members of senior management of the credit union  
2546 act as trustees or directors of the fund;

2547 (17) In the discretion of a majority of its governing board, make  
2548 contributions or gifts to or for the use of any corporation, trust or  
2549 community chest, fund or foundation created or organized under the  
2550 laws of the United States or of this state and organized and operated  
2551 exclusively for charitable, educational or public welfare purposes, or of  
2552 any hospital which is located in this state and which is exempt from  
2553 federal income taxes and to which contributions are deductible under  
2554 Section 501(c) of the Internal Revenue Code of 1986, or any subsequent  
2555 corresponding internal revenue code of the United States, as from time  
2556 to time amended;

2557 (18) Subject to the provisions of section 36a-455b, as amended, sell,  
2558 pledge or assign any or all of its outstanding extensions of credit to any  
2559 other lending institution, credit union service organization or quasi-  
2560 governmental entity and any government-sponsored enterprise, and  
2561 act as collecting, remitting and servicing agent in connection with any  
2562 such extension of credit and charge for its acts as agent. Any such  
2563 credit union may purchase the minimum amount of capital stock of  
2564 such entity or enterprise if required by that entity or enterprise to be  
2565 purchased in connection with the sale, pledge or assignment of  
2566 extensions of credit to that entity or enterprise and may hold and  
2567 dispose of such stock, provided that with respect to purchases of stock  
2568 of a credit union service organization, the Connecticut credit union  
2569 shall not exceed the limitations of section 36a-459a, as amended. A  
2570 Connecticut credit union may purchase one or more outstanding  
2571 extensions of credit from any other lending institution and any  
2572 federally-recognized Native American tribe, provided there exists a  
2573 formal written agreement with tribal government to permit the credit  
2574 union to service and collect on such extensions of credit;

2575 (19) Subject to the provisions of section 36a-455b, as amended, sell a  
2576 participating interest in any or all of its outstanding extensions of  
2577 credit to and purchase a participating interest in any or all of the  
2578 outstanding extensions of credit of any financial institution or credit  
2579 union service organization pursuant to an appropriate written  
2580 participation and servicing agreement to be signed by all parties  
2581 involved in such transaction;

2582 (20) With the approval of the commissioner, join the Federal Home  
2583 Loan Bank System and borrow funds as provided under federal law;

2584 (21) Subject to the provisions of section 36a-455b, as amended, sell  
2585 all or part of its assets, other than extensions of credit, to other lending  
2586 institutions, purchase all or part of the assets, other than extensions of  
2587 credit, of other lending institutions, and assume all or part of the  
2588 shares and the liabilities of any other credit union or out-of-state credit  
2589 union;

2590 (22) With the prior written approval of the commissioner, engage in  
2591 closely related activities, unless the commissioner determines that any  
2592 such activity shall be conducted by a credit union service organization  
2593 of the Connecticut credit union, utilizing such organizational,  
2594 structural or other safeguards as the commissioner may require, in  
2595 order to protect the Connecticut credit union from exposure to loss. As  
2596 used in this subdivision, "closely related activities" means those  
2597 activities that are closely related, convenient and necessary to the  
2598 business of a Connecticut credit union, are reasonably related to the  
2599 operation of a Connecticut credit union or are financial in nature  
2600 including, but not limited to, business and professional services, data  
2601 processing, courier and messenger services, credit-related activities,  
2602 consumer services, services related to real estate, financial consulting,  
2603 tax planning and preparation, community development activities, or  
2604 any activities reasonably related to such activities;

2605 (23) With the approval of the commissioner, engage in any activity  
2606 that a federal credit union or out-of-state credit union may be

2607 authorized to engage in under state or federal law. The application for  
2608 such approval shall be in writing and shall include a description of the  
2609 activity, a description of the financial impact of the activity on the  
2610 Connecticut credit union, citation of the legal authority to engage in  
2611 the activity under state or federal law, a description of any limitations  
2612 or restrictions imposed on such activity under state or federal law, and  
2613 any other information that the commissioner may require. The  
2614 commissioner shall approve or disapprove such activity not later than  
2615 thirty days after the application filed is complete. The commissioner  
2616 may impose any limitations or conditions to ensure that any such  
2617 activity is conducted in a safe and sound manner with adequate  
2618 consumer protections. The provisions of this subdivision do not  
2619 authorize a Connecticut credit union or a Connecticut credit union  
2620 service organization to sell title insurance.

2621 Sec. 40. Subsection (g) of section 19a-343a of the general statutes, as  
2622 amended by section 73 of public act 03-278, is repealed and the  
2623 following is substituted in lieu thereof (*Effective from passage*):

2624 (g) If the defendant is a financial institution and the record owner of  
2625 the real property, or if the defendant is a financial institution claiming  
2626 an interest of record pursuant to a bona fide mortgage, assignment of  
2627 lease or rent, lien or security in the real property and is not determined  
2628 to be a principal or an accomplice in the conduct constituting the  
2629 public nuisance, the court shall not enter any order against such  
2630 defendant. The state shall have the burden of proving by clear and  
2631 convincing evidence that any such defendant claiming an interest of  
2632 record under this subsection is a principal or an accomplice in the  
2633 alleged conduct constituting the public nuisance. For the purposes of  
2634 this subsection, "financial institution" means a bank, as defined in  
2635 subdivision (4) of section 36a-2, as amended, an out-of-state bank, as  
2636 defined in subdivision [(43)] (44) of section 36a-2, as amended by this  
2637 act, an institutional lender or any subsidiary or affiliate of such bank,  
2638 out-of-state bank or institutional lender that directly or indirectly  
2639 acquires the real property pursuant to strict foreclosure, foreclosure by

2640 sale or deed-in-lieu of foreclosure, and with the intent of ultimately  
2641 transferring the property, or other lender licensed by the Department  
2642 of Banking.

2643 Sec. 41. Subsection (e) of section 36a-194 of the general statutes is  
2644 repealed and the following is substituted in lieu thereof (*Effective from*  
2645 *passage*):

2646 (e) If at any time, the mutual holding company that does not control  
2647 a subsidiary holding company of a reorganized savings institution  
2648 sells or otherwise disposes of ordinarily voting shares in the  
2649 reorganized savings institution and as a result such mutual holding  
2650 company no longer owns at least fifty-one per cent of the ordinarily  
2651 voting shares of such reorganized savings institution, or if the  
2652 reorganized savings institution sells substantially all of its assets in a  
2653 transaction in which substantially all of the deposit liabilities of such  
2654 reorganized savings institution are assumed and become liabilities of  
2655 the purchaser of such assets, the commissioner may apply to the  
2656 superior court for the judicial district of Hartford or the judicial district  
2657 in which such mutual holding company is situated for the  
2658 appointment of a receiver to wind up the affairs of the mutual holding  
2659 company; and the court may appoint such receiver after reasonable  
2660 notice to the mutual holding company and such reorganized savings  
2661 institution. Such receivership is governed by the provisions of sections  
2662 36a-223 to 36a-239, inclusive, as amended by this act, and sections 28 to  
2663 32, inclusive, of this act.

2664 Sec. 42. Subdivision (17) of section 36a-316 of the general statutes is  
2665 repealed and the following is substituted in lieu thereof (*Effective from*  
2666 *passage*):

2667 (17) "Savings deposit" means a savings deposit, as defined in  
2668 subdivision [(57)] (59) of section 36a-2, as amended by this act, and the  
2669 payment on shares at a Connecticut credit union or federal credit  
2670 union, and a "savings account" is a deposit account which contains  
2671 savings deposits.

2672 Sec. 43. Subsection (c) of section 36a-428n of the general statutes, as  
2673 amended by section 3 of public act 03-153, is repealed and the  
2674 following is substituted in lieu thereof (*Effective from passage*):

2675 (c) Title to such business and property in this state of a foreign bank  
2676 shall vest by operation of law in the commissioner and his successors  
2677 upon taking possession, without the execution of any instruments of  
2678 conveyance, assignment, transfer or endorsement. The commissioner  
2679 shall promptly apply to the superior court for the judicial district of  
2680 Hartford for appointment as receiver of such foreign bank with effect  
2681 from the time of taking possession, and the superior court shall make  
2682 such appointment. Thereafter, except as otherwise provided in this  
2683 section, the commissioner shall liquidate or otherwise deal with such  
2684 business and property in this state of a foreign bank in accordance  
2685 with the provisions of sections 36a-223 to 36a-239, inclusive, as  
2686 amended by this act, and sections 28 to 32, inclusive, of this act,  
2687 provided, (1) "debts", "liabilities", "deposits", "claims" and other similar  
2688 terms used in sections 36a-223 to 36a-239, inclusive, as amended by  
2689 this act, and sections 28 to 32, inclusive, of this act, refer to the claims  
2690 that the commissioner shall accept pursuant to subsection (e) of this  
2691 section; (2) "creditors" and "depositors", as used in such sections, refer  
2692 to the owners of such accepted claims; (3) except as the context  
2693 otherwise requires, "Connecticut bank", as used in such sections, refers  
2694 to the state branches or state agencies in this state; and (4) "officer", as  
2695 used in such sections, includes any person in charge of or who is an  
2696 officer of such state branches and the agent or other person in charge  
2697 of such state agencies. Notwithstanding any contrary provision of law,  
2698 including chapters 55a and 67, the commissioner may employ or  
2699 contract with such legal counsel and expert assistants under such titles  
2700 as the commissioner may assign to them and may retain such of the  
2701 officers or employees of such foreign bank as the commissioner deems  
2702 necessary in the liquidation and distribution of the assets of such  
2703 foreign bank, without the prior approval of any other state agency or  
2704 elective officers. The commissioner shall be entitled to the appointment  
2705 of a single judge to supervise the liquidation upon request to the

2706 administrative judge of the superior court for the judicial district of  
2707 Hartford. Said judge shall have the power to order expedited or  
2708 simplified procedures whenever necessary to resolve a matter in such  
2709 liquidation.

2710 Sec. 44. Subdivision (10) of section 36a-596 of the general statutes is  
2711 repealed and the following is substituted in lieu thereof (*Effective from*  
2712 *passage*):

2713 (10) "Permissible investment" means: (A) Cash in United States  
2714 currency; (B) time deposits, as defined in subdivision [(65)] (69) of  
2715 section 36a-2, as amended by this act, or other debt instruments of a  
2716 bank; (C) bills of exchange or bankers acceptances which are eligible  
2717 for purchase by member banks of the Federal Reserve System; (D)  
2718 commercial paper of prime quality; (E) interest-bearing bills, notes,  
2719 bonds, debentures or other obligations issued or guaranteed by: (i) The  
2720 United States or any of its agencies or instrumentalities, or (ii) any  
2721 state, or any agency, instrumentality, political subdivision, school  
2722 district or legally constituted authority of any state if such investment  
2723 is of prime quality; (F) interest-bearing bills or notes, or bonds,  
2724 debentures or preferred stocks, traded on any national securities  
2725 exchange or on a national over-the-counter market, if such debt or  
2726 equity investments are of prime quality; (G) receivables due from  
2727 selling agents consisting of the proceeds of the sale of payment  
2728 instruments which are not past due or doubtful of collection; (H) gold;  
2729 and (I) any other investments approved by the commissioner.  
2730 Notwithstanding the provisions of this subdivision, if the  
2731 commissioner at any time finds that an investment of a licensee is  
2732 unsatisfactory for investment purposes, the investment shall not  
2733 qualify as a permissible investment.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>

Sec. 4	<i>from passage</i>
Sec. 5	<i>from passage</i>
Sec. 6	<i>from passage</i>
Sec. 7	<i>from passage</i>
Sec. 8	<i>from passage</i>
Sec. 9	<i>from passage</i>
Sec. 10	<i>from passage</i>
Sec. 11	<i>from passage</i>
Sec. 12	<i>from passage</i>
Sec. 13	<i>from passage</i>
Sec. 14	<i>from passage</i>
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Sec. 25	<i>from passage</i>
Sec. 26	<i>from passage</i>
Sec. 27	<i>from passage</i>
Sec. 28	<i>from passage</i>
Sec. 29	<i>from passage</i>
Sec. 30	<i>from passage</i>
Sec. 31	<i>from passage</i>
Sec. 32	<i>from passage</i>
Sec. 33	<i>from passage</i>
Sec. 34	<i>from passage</i>
Sec. 35	<i>from passage</i>
Sec. 36	<i>from passage</i>
Sec. 37	<i>from passage</i>
Sec. 38	<i>from passage</i>
Sec. 39	<i>from passage</i>
Sec. 40	<i>from passage</i>
Sec. 41	<i>from passage</i>
Sec. 42	<i>from passage</i>
Sec. 43	<i>from passage</i>

Sec. 44	<i>from passage</i>
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**Statement of Purpose:**

To update the receivership and conservatorship statutes to take into account trust banks and uninsured banks and require such banks to pledge assets; to require a fee for processing interstate transaction applications unless the transaction otherwise requires a fee; to update the Connecticut bank organization statutes to require newly organized capital stock Connecticut banks to pay a franchise tax that is similar to that paid by other stock corporations; to allow out-of-state banks with a branch in Connecticut to establish an additional branch in Connecticut without filing an application pursuant to section 36a-145 of the general statutes; and to make certain technical amendments.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*