

§1224. Business of merchant banks; power; limitations

1. Business of merchant banks. Except as provided in this chapter, a merchant bank has all the powers of and is entitled to engage in the business of a financial institution, including, without limitation, powers with respect to investments, loans, fiduciary and trust functions and transactions. [PL 1997, c. 398, Pt. J, §2 (NEW).]

2. Deposit activities. A merchant bank may not solicit, receive or accept money or its equivalent on deposit as a regular business within the meaning of section 131, subsection 5 or engage in deposit-like activities as determined by the superintendent. A merchant bank may deposit cash, whether constituting principal or income, in any financial institution, whether within or without this State, if the account is held either in the name of the trust to which the cash belongs or in the name of the merchant bank and is composed entirely of cash belonging to trust accounts, the respective contributions of which are reflected in the books and records of the merchant bank. [PL 1997, c. 398, Pt. J, §2 (NEW).]

3. Treasurer's checks. A merchant bank may issue drafts drawn on itself in the form of treasurer's or cashier's checks. [PL 1997, c. 398, Pt. J, §2 (NEW).]

4. Name. Notwithstanding section 241, subsection 9, a merchant bank may use as a part of its name the word or words "bank," "banker" or "banking" or the plural of or any abbreviations of those words. [PL 1997, c. 398, Pt. J, §2 (NEW).]

5. Offices. At least 30 days prior to the establishment of any office or branch office for the transaction of its business, a merchant bank shall notify the superintendent. [PL 1997, c. 398, Pt. J, §2 (NEW).]

6. Provisions inapplicable. The following provisions of this Title are inapplicable to merchant banks: sections 223, 316-A, 439-A, 445, 446-A and 465-A and chapters 33, 37 and 42. The limitations on the holding of equity securities and the purchase of speculative securities, equities and venture capital investments contained in section 419, subsection 1 are also inapplicable to merchant banks. [PL 1997, c. 660, Pt. A, §8 (AMD).]

SECTION HISTORY

PL 1997, c. 398, §J2 (NEW). PL 1997, c. 660, §A8 (AMD).

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