# CHAPTER 6-05
## ANNUITY, SAFE DEPOSIT, SURETY, AND TRUST COMPANIES

**6-05-01. Who may form - Corporation has perpetual existence.**

Any number of persons, not less than nine, at least three of whom must be residents of this state, may associate themselves and form a corporation for the purpose of transacting business as an annuity, safe deposit, and trust company. Its existence shall be perpetual.

At the time and place stated, and through any sources of information at its command, the board shall examine and consider all relevant factors, including whether the place where such company is proposed to be located is in need of a further annuity, safe deposit, and trust company, whether the proposed institution is adapted to the filling of such need, and whether the proposed incorporators are possessed of such character, integrity, reputation, and financial standing as shown by a detailed financial statement to be furnished by them, that their connection with the company will be beneficial to the public welfare of the community in which such company is proposed to be established. The board shall hear any reasons advanced by the applicants why they should be permitted to organize the proposed institution and any reasons advanced by any person why such institution should not be permitted to be organized. At the termination of such hearing, the board shall make a brief statement in writing of its conclusions, and if it finds that the proposed institution should not be permitted to organize, it shall state briefly the reasons why. A copy of such conclusions either shall be endorsed upon or attached to the organization certificate, together with the refusal or grant of permission to the proposed incorporators to present the said organization certificate to the secretary of state. A determination in favor of such organization must be joined in by a majority of the members of the board.

Any banking association organized under chapter 6-02 may apply to the board for an order authorizing the applicant to exercise fiduciary powers. If the determination of the board is in favor of the applicant, the board shall make its order authorizing the applicant to engage in the business of a trust company upon its showing full compliance with sections 6-05-03, 6-05-04, and 6-05-05 except the capital stock of the banking association shall not be required to be divided in shares of one hundred dollars each as provided by section 6-05-03. Sections 6-05-06 and 6-05-07 are not applicable to banking associations granted authority to engage in the business of a trust company by the board. Thereafter, such banking association must be subject to the jurisdiction of the board as to its trust company operations the same as trust companies organized under chapter 6-05.

Any corporation organized and authorized to transact the business of fidelity insurance and corporate suretyship prior to July 1, 1983, pursuant to the former sections 6-05-08 and 6-05-19 through 6-05-24 and sections 6-05-30 through 6-05-33 may continue to operate under the provisions of those sections as they existed on June 30, 1983.

**6-05-02. Compliance with chapter required - Penalty for noncompliance.**

No person, firm, company, copartnership, or corporation, either domestic or foreign, not organized under this chapter nor subject to its provisions, except only national banking corporations, state banks authorized under this chapter, state banks or trust companies authorized to engage in trust activities under the laws of another state, their affiliates, bona fide banking institution trade associations and their affiliates, and the Bank of North Dakota, may make use of or display in connection with its business, in signs, letterheads, advertising, or in any other way, such words as "trust", "trust company", or any other word or words of like import, nor may any person or concern do or perform anything in the nature of the business of a trust company until and unless such business is regularly organized and authorized under this chapter. If any firm or corporation organized prior to July 1, 1931, has been granted a charter permitting it to use any word, words, or title contrary to the intent of this section, and by reason of its rights under such charter, the provisions of this section may not be enforced against it during the life of such charter. However, no renewal charter may be granted to such person, firm, or corporation permitting the continuance of the use of such word, words, or title contrary to or in violation of this section. Any person, firm, or corporation which, by reason of an existing charter right under any law or statute in effect prior to July 1, 1931, may be held by the courts

not to be affected by this section and which therefore refuses to comply with the provisions of this section, during the period of noncompliance, shall display, prominently and continuously in plain, legible, and clearly discernible lettering on all of its signs, stationery, circulars, and advertising, and in all of its printed or written matter the following words and language: "NOT UNDER THE SUPERVISION OF THE STATE BANKING BOARD OR THE COMMISSIONER OF FINANCIAL INSTITUTIONS", and such language must be displayed thereon as prominently as any other matter therein. Any person, firm, company, copartnership, or corporation, domestic or foreign, violating any provision of this section, shall forfeit to the state one hundred dollars for every day or part thereof during which such violation continues. In an action brought by the commissioner or any aggrieved person, the court may issue an injunction restraining such person, firm, company, copartnership, or corporation from further using such words, terms, or phrases in violation of this section or from further transacting business in such a way or manner as to lead the public to believe that its business is in whole or in part of the nature of a trust company, or that it is under the supervision of the state banking board or the commissioner. Upon written request, the commissioner may grant an exemption to this section if the commissioner finds that use of the words "trust" or "trust company", or words of like import, are not reasonably likely to cause confusion or lead the public to believe that the person requesting the exemption is a trust company, banking institution trade association, or affiliate authorized under this section or is conducting a business subject to the jurisdiction of the department. In granting an exemption under this section, the commissioner may restrict or condition the exemption and use of the name or word or the activities of an exempt person as the commissioner considers appropriate to protect the public interest.

**6-05-03. Capital stock - Amount - Par value - Paid-in capital required.**

The amount of capital stock of any such corporation may not be less than one hundred thousand dollars, and the same must be divided into shares of one hundred dollars each. No such corporation is authorized to transact any business or exercise any powers as such until the aforesaid minimum amount of capital stock has been subscribed for, and not less than fifty thousand dollars thereof actually has been paid in, invested, and deposited as provided in this chapter. The state banking board may require such additional capital, surplus, and undivided profits as it may determine necessary to properly serve the area and to protect the public interests. The state banking board shall take into consideration peer group ratios, or federal standards and guidelines, when determining whether any additional capital is required.

**6-05-04. Surety deposit investments required - Securities in which investment may be made.**

Every corporation organized under this chapter and every foreign corporation before engaging in similar comparable activities within this state shall either deposit with any federal reserve bank, the Bank of North Dakota, or any other custodian approved by the commissioner, securities as provided by this section or pledge a certificate of deposit as provided by this section. The deposit or pledge may not be less than fifty thousand dollars or less than one-sixth of the par value of the capital stock of the corporation, whichever is the greater. However, a corporation is not required to deposit or pledge more than five hundred thousand dollars. The deposit certificate or pledge agreement must authorize the commissioner to cause the deposit, in part or in whole, to be transferred to the commissioner upon the commissioner's demand. An original of the deposit certificate or pledge must be furnished to the commissioner. The deposit or pledge must be:

1. Bonds of the United States or of this state;
2. Bonds of other states which have the approval of the commissioner of financial institutions;
3. Bonds or obligations of any township, school district, city, or county within this state, whose total bonded indebtedness does not exceed five percent of the then assessed valuation thereof;
4. Bonds or promissory notes secured by first mortgages or deeds of trust upon unencumbered real estate situated within the state of North Dakota worth two and one-half times the amount of the obligation so secured;

5. Obligations issued, assumed, or guaranteed by the international bank for reconstruction and development or the African development bank;
6. United States treasury bills or notes of an agency thereof;
7. Certificates of deposit fully insured by the federal deposit insurance corporation from banks located within this state; or
8. Certificates of deposit issued by the Bank of North Dakota.

**6-05-04.1. Right of action against deposit.**

The security deposited with the department of financial institutions as provided in section 6-05-04 must be held by the department of financial institutions for the benefit of any person making any transfer or deposit of money or property in the state of North Dakota to or with any trust company and who suffers loss or damage because of the breach of any trust committed by such trust company. Any judgment obtained by any such person from any court of competent jurisdiction may be satisfied from the security deposited with the department of financial institutions.

**6-05-05. Certificate of deposit.**

Whenever any such corporation assigns, transfers, and delivers to the commissioner, or a designated agent, the securities described in section 6-05-04 and all evidences of such investment, the commissioner, or a designated agent, shall execute and deliver to the corporation a certificate of such deposit, and thereupon, the said corporation may commence and carry on business under the provisions of this chapter. The commissioner, or a designated agent, shall hold the said securities so deposited with the commissioner or agent as collateral security for the depositors and creditors of the corporation, and for the faithful execution of any trusts which may be imposed lawfully upon and accepted by such corporation. The corporation from time to time may withdraw the said securities or any part thereof from the commissioner, or a designated agent, upon depositing with the commissioner or agent other securities of equal amount and value and of the kinds specified in section 6-05-04. Until otherwise ordered by a court of competent jurisdiction, the said commissioner, or a designated agent, shall pay over to such corporation the interest and dividends which the commissioner or agent collects upon such securities. Any corporation having a larger deposit with the commissioner, or a designated agent, than is required by this chapter must be allowed at any time to withdraw its excess deposit.

**6-05-06. Directors - Qualifications - Terms - Vacancies.**

All the corporate powers of such a corporation must be exercised by a board of directors of not less than three nor more than twenty-five in number, and such officers and agents as it elects or appoints. A majority of the directors must be citizens of this state. Any director who becomes in any manner disqualified shall vacate that director's office thereupon. Every director, when elected or appointed, shall take the oath specified in section 6-03-04. Such oath, subscribed by the director making it and certified by the officer before whom it was taken, must be transmitted at once to the commissioner to be filed in the commissioner's office. The articles of incorporation must state the names and residences of the first board of directors, of whom the first named one-third shall serve for a period of three years, the second one-third named for a period of two years, and the balance thereof shall serve for a period of one year from the date fixed for the commencement of such corporation. In case any of the persons so named shall fail or refuse to qualify from any cause, the directors who qualify must elect qualified persons to fill such vacancies, and thereafter, at each annual meeting of the stockholders, directors must be elected to serve three years in place of those whose terms then expire.

**6-05-07. Election of directors - Appointment and bonds of officers.**

An annual election must be held at the principal office or place of business of the corporation, which must be within this state, upon a day to be fixed by the articles of the corporation, and notice of such election must be given by registered or certified mail at least ten days prior to such date, or by publication in a newspaper published in the county in which the

corporation has its principal place of business. At such meeting, the directors must be elected, and in case of a failure to elect on that day or on a day to which such annual meeting may be adjourned, the directors whose regular terms do not then expire shall proceed to elect such number of directors as have failed of election, and any vacancy in the office of director may be filled by the board until the next annual meeting. The board of directors, at its next meeting following the election of directors and after such directors have qualified, shall elect from its number a president, vice president, and such other officers as may be necessary to the transaction of the business of the corporation. The board shall define the powers, authority, and duties of such officers and employees by bylaws or resolutions, fix the conditions, form, and amount of their bonds, and approve the same, but no such officer or employee may enter upon the discharge of the person's duties until such bond has been approved and has been filed with and approved by the commissioner.

**6-05-08. Corporate powers.**

A corporation, when qualified as provided by section 6-05-04, may:

1. Acquire, lease, purchase, own, hold, use, improve, mortgage, sell, and convey such real estate and personal property as may be necessary for the convenient transaction of its business. It may acquire real estate by foreclosure or upon compromise or settlement of prior mortgages held by it either as absolute owner or as trustee and may dispose of the same. No part of the capital, deposits, trust funds, or property owned or held by it, in trust or otherwise, may be invested in real estate except as herein authorized, unless the investment is made under and by virtue of a particular contract, or instrument, or order, judgment, or decree of court, which confers a special power or authority so to do, and then only with, or to the extent of, the moneys or funds thereby provided and belonging to such particular trust. Such corporation is authorized to purchase notes, bonds, mortgages, and other evidences of indebtedness, and other securities, subject to the limitations imposed upon banking associations as to investments, and to convert the same into cash and other securities.
2. Act as trustee under will, agreement, court order, or otherwise, and act as fiscal agent and transfer agent.
3. Take, accept, and hold on deposit for savings account or for safekeeping, or in escrow, or for investment, any and all moneys, bonds, stocks, and other securities, or personal property whatsoever. When any savings deposit has been received from a minor, the repayment of the deposit to the minor or the minor's order is a complete discharge of such corporation from any further liability therefor. Whenever any officer or person, public or private, or any fiduciary, is authorized to pay into or deposit in any court any moneys, securities, or personal property whatsoever, the same instead of being deposited with or paid into court may be paid into or deposited with any corporation organized and acting under this chapter which may be designated for that purpose by the court having jurisdiction of the subject matter, or by the person owning or controlling such property. Whenever any fiduciary deposits any moneys, securities, or any personal property whatsoever, belonging to the fiduciary's trust, with any corporation qualified and acting under this chapter and takes a receipt of such corporation therefor, the fiduciary and the fiduciary's sureties thereafter are relieved from all liability therefor until the same again shall be delivered to the fiduciary by such corporation.
4. Act as assignee, receiver, administrator, executor, guardian, or conservator.
5. Provide by its bylaws and regulations for the payment of interest or dividends, for the investment of moneys, and conditions for repaying or withdrawing the same. It may borrow money upon the security of its own property or credit.
6. Act as agent and attorney in fact in all respects as a natural person could do.
7. Make, compile, and certify abstracts of title of real estate upon the conditions prescribed by the laws of this state relating to abstracters to ensure the validity and genuineness of titles to real property.

8. Notwithstanding any other provision of law and subject to approval by the state banking board, engage in any fiduciary activity in which a federally chartered financial institution that is granted fiduciary powers may engage.

**6-05-08.1. Issuance of certificates of deposit - Penalty.**
Repealed by S.L. 1991, ch. 82, § 7.

**6-05-09. Savings, investment, and trust property - Separate accounts.**
Whenever any sum or sums of money, or any real or personal property, has been received by, deposited with, or conveyed to be held by such a corporation for savings or investment account, or in trust under any of the provisions of subsection 1, 2, 3, or 4 of section 6-05-08, such money or property, and all evidences of the investment of the same, and their accretions, must be kept by such corporation separate and apart and readily identified from similar property of its own or of other persons, and the same is not liable for any debt or claim against the corporation, except for debts or claims accruing to and in favor of the person or persons making such deposits or creating such trusts, or the beneficiaries thereunder.

**6-05-10. Discretionary power of investment - Limitations.**
The directors of any such corporation have discretionary power to invest all moneys received by it on deposit or in trust, and the investment or deposit of which otherwise may not be limited or directed, in such securities as are herein authorized. The corporation is responsible to the owners or beneficiaries of such moneys, for the validity, regularity, quality, value, and genuineness of all such investments and securities at the time said investments are so made, and for the safekeeping of the evidences and securities thereof. If any special direction, limitation, agreement, or trust is imposed, made or conferred in and by the order, judgment, decree, will, contract, deed, conveyance, or other written instrument, as to the particular manner, or the particular class or kinds of securities, funds, or property, whether real or personal, in which the moneys must be invested, the corporation shall follow and carry out such order, judgment, decree, contract, deed, or other written instrument or instruction, and may not be held liable or responsible for any loss, damage, or injury which may occur to or be incurred by any person or beneficiary by reason of its proper performance of such trust, and the directions or limitations thereof.

**6-05-11. Bond not required - Power to be surety on judicial bonds - Deposit of securities.**
No bond or other security, oath, or other qualification is necessary to enable such corporation to accept any appointment or trust. It is lawful for any such corporation to become surety upon any bond or undertaking for or on behalf of any person, persons, or corporation, in any suit, action, or special proceeding, in any court in this state. Whenever a bond or new sureties on a bond may be required from any person, persons, or corporation, acting in any trust capacity whatever, if the value of the estate or fund is so great that the judge of the court having jurisdiction of the proceedings deems it inexpedient to require security in the full amount prescribed by law, the judge may direct that any securities for the payment of moneys belonging to the estate or fund be deposited, subject to the order of the person acting in such trust capacity, countersigned by a judge of said court, with any trust company organized and qualified to do business under the provisions of this chapter. After such deposit has been made, the judge may fix the amount of the bond with respect to the value of the remainder only of such estate or fund.

**6-05-11.1. Bonds of officers and employees.**
An officer or employee of any trust company, before entering upon the person's duties, shall furnish a bond to the trust company in the sum and upon the conditions as required by the board of directors in keeping with rules adopted by the state banking board. All bonds must be approved by the board of directors of the trust company and are subject to the approval of the commissioner. A record of the approval of the bonds by the board of directors of the trust

company must be made on the records of the trust company and the bonds must be filed with the commissioner. Stockholders of the trust company are not eligible as bondsmen for the officers or employees.

**6-05-12. Court bonds not required.**

Any such corporation is not required to give any bond or security in connection with the execution of any trust, or in any suit, action, or special proceeding, during the performance of any such trust, in any court in this state.

**6-05-13. Transfer of trust to corporation.**

Any executor, administrator, guardian, conservator, trustee, assignee, or receiver may resign that person's trust in favor of a corporation organized, acting, and qualified under this chapter, and thereupon, such corporation may be appointed as trustee by any court having jurisdiction of the subject matter of such trust upon such terms and conditions as such court may prescribe.

**6-05-14. Compensation - Lien.**

For the faithful performance of any trust, duty, obligation, or service imposed or conferred upon or accepted by any corporation under the provisions of this chapter, it is entitled to receive a reasonable compensation, or such compensation as may have been fixed by the contract or agreement of the parties, as well as any and all advances necessarily paid out and expended in the discharge and performance thereof, and to charge legal interest, as permitted by law, upon such advances unless otherwise agreed upon. The company has a lien upon all moneys, securities, and all property of every description which may come into its possession while in the performance of such trust, for the payment of all sums due or to become due to it for services, expenses, and advances, and the costs and expenses of enforcing such payment.

**6-05-15. Investment of trust funds.**

Any sum of money, which is collected or received by any such corporation in its trust capacity, and which is not required for the purposes of the trust, or which is not to be accounted for within one year from the date of collection, receipt, or deposit, must be invested by the corporation as soon as practicable.

In acquiring, investing, reinvesting, exchanging, retaining, selling, and managing the property for the benefit of another, the trustee shall exercise the judgment and care under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard, the trustee is authorized to acquire and retain every kind of property, real, personal, or mixed, and every kind of investment, specifically including but not by way of limitation, bonds, debentures, and other corporate obligations and stocks, preferred or common, including investment trusts, mutual funds, money market funds, and other similar funds in which the trustee or any of its affiliates may have a beneficial interest, which persons of prudence, discretion, and intelligence acquire or retain for their own account, and within the limitations of the foregoing standard, the trustee may retain property properly acquired without limitation as to time and without regard to its suitability for original purchase. The net interest and profits of such investments, less the reasonable charges and disbursements of the corporation in connection therewith, must be accounted for and paid over as a part of the trust. The net accumulations of interest and profits likewise must be invested and reinvested as a part of the principal, and such investments must be received and allowed in the settlement of the trust.

**6-05-15.1. Corporate trustee - Investment of trust funds - Commingling funds.**

Any trust company may invest all moneys received by it in authorized securities, and shall be responsible to the owner or beneficiary of a trust for the validity, regularity, quality, value, and genuineness of these investments and securities so made, and for the safekeeping of the

securities and evidences thereof. When special directions are given in any order, judgment, decree, will, or other written instrument as to the particular manner or the particular class or kind of securities or property in which any investment must be made, it shall follow such directions, and in such case it is not further responsible by reason of the performance of such trust. In all other cases it may invest funds held in any trust capacity in authorized securities using its best judgment in the selection thereof, and shall be responsible for the validity, regularity, quality, and value thereof at the time made, and for their safekeeping. Whether it be the sole trustee or one of two or more cotrustees, it may invest in fractional parts of, as well as in whole, securities, or may commingle funds for investment. If it invests in fractional parts of securities or commingles funds for investment, all of the fractional parts of such securities, or the whole of the funds so commingled must be owned and held by the trust company in its several trust capacities, and it is liable for the administration thereof in all respects as though separately invested. Funds so commingled for investment must be designated collectively as a common trust fund. It may, in its discretion, retain and continue any investment and security or securities coming into its possession in any fiduciary capacity. The foregoing applies as well whether a corporation trustee is acting alone or with an individual cotrustee.

**6-05-15.2. Common trust funds of affiliates.**

Notwithstanding the provisions of section 6-05-15, any bank or trust company qualified to act as fiduciary in this state may:

1. Establish and maintain common trust funds for the collective investment of funds held in any fiduciary capacity by it or by another bank or trust company which is owned or controlled by a corporation which owns or controls such bank or trust company.
2. As a fiduciary or cofiduciary, invest funds which it holds for investment in common trust funds established and maintained pursuant to subsection 1 if such investment is not prohibited by the instrument, judgment, decree, or order creating such fiduciary relationship. This section applies to fiduciary relationships now in existence or hereafter created.

To the extent not inconsistent with the provisions of this section, the provisions of section 6-05-15.1 relating to common trust funds apply to the establishment and maintenance of common trust funds under this section.

**6-05-15.3. Deposit of trust funds awaiting investment or distribution in affiliates.**

A bank or trust company qualified to and acting as fiduciary or cofiduciary in this state may deposit trust funds awaiting investment or distribution in a bank, including, without limitation, a bank that owns or controls, or that is owned or controlled by a corporation that owns or controls, the bank or trust company.

**6-05-15.4. Multiple offices or places of business - Application to state banking board - Hearing.**

1. A trust company may establish and maintain for itself and its operating subsidiary organizations one or more offices or places of business within this state, throughout the United States, in foreign countries, or in dependencies or insular possessions of the United States upon written application to the department of financial institutions for approval from the state banking board. The application must include the information specified by the board.
2. Notice of the application to establish and maintain an office or place of business must be published as required by the state banking board.
3. Within ten business days after receipt of the application by the department of financial institutions, the commissioner shall determine if the application is complete and shall notify the trust company of the determination. If within the ten business days the commissioner determines the application is incomplete, the commissioner shall request the additional information necessary to complete the application. Within ten days after receipt of the additional information, the commissioner shall notify the trust company by mail of the commissioner's determination of completeness. Within sixty

days after the date for the mailing of a notice of completeness by the commissioner, the state banking board either shall approve the application or shall notify the trust company that a hearing on the application will be required.

4. Any hearing required by the state banking board must be commenced and concluded by issuance of the order of the board within ninety days after the date for the mailing of a notice of completeness by the commissioner. If the hearing is not concluded within this ninety-day period, the application is deemed approved by the board.
5. The state banking board may disapprove the application if it finds, after a hearing:
   a. The establishment and maintenance of the office or place of business will jeopardize the solvency of the trust company; or
   b. The operation of more than one office or place of business by the trust company will place the company in an unsafe and unsound condition.

**6-05-15.5. Structure of trust company - Operating subsidiaries - Notice - Hearing - Supervision.**

1. A trust company may conduct its business directly or through one or more operating subsidiary organizations, including a limited purpose bank that is established under the laws of a jurisdiction other than this state. The activities of an operating subsidiary of a trust company must be limited to those activities in which the trust company itself could engage.
2. A trust company that desires to establish or acquire an operating subsidiary must submit a written notification to the department of financial institutions not less than thirty days before the trust company's investment in the subsidiary organization is made. The notification must include the information specified by the state banking board.
3. Within ten business days after receipt of the notification by the department, the commissioner shall determine if the notice is complete and shall notify the trust company of the determination. If within the ten business days the commissioner determines that the notice is incomplete, the commissioner shall request the additional information necessary to complete the notice. Within ten days after receipt of the additional information, the commissioner shall notify the trust company by mail of the commissioner's determination of completeness. The commissioner shall inform the state banking board of the receipt of a completed notice. Upon expiration of thirty days from the date for the mailing of a notice of completeness, the trust company's investment in the operating subsidiary in accordance with its notice is deemed approved by the state banking board, unless within that thirty-day period the state banking board has served the trust company with a notice of hearing on the company's proposed investment.
4. Any hearing required by the state banking board must be commenced and concluded by the issuance of the order of the board within ninety days after the date for the mailing of a notice of completeness by the commissioner. If the hearing is not concluded within the ninety-day period, the investment by the trust company is deemed approved by the state banking board.
5. The state banking board may prohibit the trust company's investment in an operating subsidiary organization if it finds after a hearing:
   a. The investment will jeopardize the solvency of the trust company; or
   b. The operation of the trust company through the subsidiary organization will place the trust company in an unsafe and unsound condition.
6. The state banking board has the same authority to examine and supervise an operating subsidiary as exists for the trust company.

**6-05-16. Indebtedness of directors - Prohibition and exception - Theft - Penalty.**

Such corporation may not loan its funds, moneys, capital, trust funds, or any other property whatsoever to any director, officer, agent, or other employee thereof, nor may any such director, officer, agent, or other employee become in any manner indebted to said corporation by means of any overdraft, promissory note, account, endorsement, guaranty, or other contract

whatsoever unless such indebtedness has been approved or authorized first by the board of directors, or an investment committee created by it, and such approval entered in the minutes of the proceedings of such board or committee. Any such director, agent, or employee who becomes indebted to said company, contrary to the provisions hereof, is guilty of the crime of theft to the amount of such indebtedness from the time such indebtedness was created and must be punished in the manner prescribed by section 12.1-23-05. The execution and delivery of the official bond of such officer, agent, or employee, or that person's endorsement of commercial paper, however, may not be considered as an indebtedness for the purpose of this section.

**6-05-17. Corporation subject to court orders - Reports to court.**

Every such corporation is subject at all times to the orders, judgments, and decrees of any court of record from which or under which it has accepted any trust, appointment, or commission as to such trust, and shall render to the court such itemized and verified accounts, statements, and reports as may be required by law, or as such court shall order in relation to any trust.

**6-05-18. Annual report to state examiner - Publication.**

Repealed by S.L. 1969, ch. 117, § 1.

**6-05-19. Fidelity insurance and corporate suretyship - Domestic and foreign corporations.**

Repealed by S.L. 1983, ch. 332, § 26.

**6-05-20. Execution and acceptance of bond from surety company - Bond as compliance with law.**

Repealed by S.L. 1983, ch. 332, § 26.

**6-05-21. Cost of bond allowable as expense and taxable as costs in suit.**

Repealed by S.L. 1983, ch. 332, § 26.

**6-05-22. Domestic surety companies and agents must obtain certificate from insurance commissioner.**

Repealed by S.L. 1983, ch. 332, § 26.

**6-05-23. Concurrent undertakings permitted - Losses prorated.**

Repealed by S.L. 1983, ch. 332, § 26.

**6-05-24. Surety company may petition to be relieved from liability - Procedure.**

Repealed by S.L. 1983, ch. 332, § 26.

**6-05-25. When subscribed capital stock must be paid in.**

Repealed by S.L. 2015, ch. 80, § 8.

**6-05-26. Increase in capital stock - Action by stockholders - Report to state banking board.**

The capital stock of such a corporation may be increased from time to time by a majority vote of its stockholders. Such action may be taken at any regularly called general or special meeting held upon sixty days' notice, when in the notice of such meeting the object thereof has been set out fully. No such increase of capital stock is valid unless paid in, in cash, and reported to the state banking board in writing, verified by the oath of the president, secretary, or managing officer of the corporation.

**6-05-27. Commissioner to order increase in security deposit - When.**

Whenever it appears to the commissioner, from an examination of the business of any such corporation, that the deposit made by it, as hereinbefore required, is insufficient to insure the safety of its deposit, trust, and contingent liabilities, the commissioner shall make an order, as hereinafter provided, requiring an increase of such deposit. Such company immediately upon receipt of such order shall deposit with the commissioner, or a designated agent, other and further securities of the kind, class, and value designated in section 6-05-04 in an amount sufficient to comply with said order.

**6-05-28. Examination by commissioner - Fees - Power over business, officers, and employees.**

The commissioner shall make a full, true, complete, and accurate examination and investigation of the affairs of each corporation doing business under this chapter as often as the commissioner deems necessary. Such examination must be made without previous notice to the corporation to be examined. Fees for such examinations must be charged by the department of financial institutions at an hourly rate to be set by the commissioner, sufficient to cover all reasonable expenses of the department associated with the examinations provided for by this section. Fees must be paid to the department of financial institutions and deposited in the financial institutions regulatory fund. The commissioner, in the commissioner's discretion, may accept, in lieu of any examination authorized or required by this title to be conducted by the department of financial institutions, the examination that may have been made of such institution within a reasonable period by the federal reserve bank or federal deposit insurance corporation, if a copy of such examination is furnished to the commissioner. The commissioner shall assume and exercise over each such corporation and its business, officers, directors, and employees all the power and authority conferred upon the commissioner over financial or moneyed corporations or associations.

**6-05-29. Duty of commissioner when examination discloses violation of law.**

If it appears to the commissioner from any examination made by the commissioner that any such corporation has committed a violation of the law or that it is conducting its business in an unsafe or unauthorized manner, or that the deposit made by it with the department of financial institutions, as hereinbefore provided, is insufficient to protect the interests of all concerned, the commissioner, by an order addressed to such corporation, shall direct the discontinuance of such illegal or unsafe practice, and order it to conform with the requirements of the law or to make a further deposit with the department of financial institutions in an amount sufficient to insure the safety of its trusts, deposits, and liabilities. Whenever any corporation refuses to comply with any such order, or whenever it appears to the commissioner that it is unsafe or inexpedient for any such corporation to continue to transact business, the commissioner shall communicate the facts to the attorney general, who thereupon shall institute such proceedings against any such corporation as the case may require.

**6-05-30. Conditions under which foreign corporation may do fidelity and surety business.**

Repealed by S.L. 1983, ch. 332, § 26.

**6-05-31. Service on foreign corporation doing fidelity and surety business.**

Repealed by S.L. 1983, ch. 332, § 26.

**6-05-32. Foreign corporation doing fidelity or surety business to pay tax - To whom paid - How determined.**

Repealed by S.L. 1983, ch. 332, § 26.

**6-05-33. Responsibility of fidelity and surety corporation for fraud of bonded officer.**

Repealed by S.L. 1983, ch. 332, § 26.

**6-05-34. Other code provisions applicable to corporations doing business under this chapter.**

The provisions of title 10, as it may be amended from time to time, governing profit corporations, and sections 6-01-06, 6-01-09, 6-03-11, 6-03-12, 6-03-27, 6-03-33, 6-03-34, 6-03-35, 6-03-41, 6-03-42, 6-03-51, 6-03-52, 6-03-53, 6-03-54, 6-03-55, 6-03-56, 6-03-57, 6-03-58, 6-03-61, 6-03-62, 6-03-63, 6-03-64, 6-03-65, 6-03-70, 6-03-72, 6-07-01, 6-07-02, 6-07-04, 6-07-05, 6-07-06, 6-08-03, 6-08-06, 6-08-09, 6-08-14, and 6-08-20 are applicable to and must be observed by all corporations organized under this chapter, except as to provisions thereof inconsistent with the provisions of this chapter.