

Opinion No. 62.

**Banks and Banking—Preferred
Stock, Classes of.**

HELD: A state bank may issue preferred stock of two different classes, one subordinate to the other, subject to the approval of the superintendent of banks as provided in Section 3 of Chapter 15, Laws of the Extraordinary Session, 1933-34.

March 16, 1935.

Hon. Frank H. Johnson
Superintendent of Banks
The Capitol

You have requested my opinion as to whether a state bank may issue preferred stock in different and sep-

arate series, for example, an issue of \$20,000 into two series to be known as Series "A," \$10,000 and Series "B," \$10,000, the second series to be subordinated to the first series but both to be preferred stocks.

Chapter 15, Laws of 1933-34, Extraordinary Session, authorizes the issuance of non-assessable preferred stock. The only statutory restriction we find upon the issuance of such preferred stock is found in Section 3 of said chapter, as follows: "Such preferred stock may be issued and sold upon such terms and conditions as may be approved by the Superintendent of Banks, or as may be required for the purchase of such stock by the Reconstruction Finance Corporation or other agency or quasi-agency of the Federal government."

Since the issuance of preferred stock has been expressly authorized without other statutory restriction, it is my opinion that a state bank may issue the two series of preferred stock as above described, subject, however, to the approval of the superintendent of banks or as provided in said Section 3.