

State Banks ,Dissolution Of. Banks, Merger of State Into National.

The conversion of a state bank into a national bank under federal law does not have the effect of dissolving the state bank under said law. Said bank still remains a state corporation subject to the rights and liabilities of such a corporation.

Helena, Montana, October 6, 1908.

Hon. F. H. Ray,
State Examiner,
Helena, Montana.

Dear Sir:—

I am in receipt of your inquiry as to whether:

“The Bank of Valley, said bank being situated at Sidney, Montana, ceases to be a state bank upon being converted into a national bank?”

The laws of Montana relating to banks and banking corporations (Sections 3909 to 4015, Revised Codes) provide for the incorporation of state banks and enumerate their duties, privileges, rights and liabilities. This law also (Section 4003) provides for the dissolution of such corporations. A bank once legally incorporated continues to be a bank under the law until the period of its existence has expired, or until the banking corporation has been dissolved in some form authorized or recognized by our state law.

The bank laws of the United States (Sections 5154 et seq. Revised Statutes United States, and 22 Stat. 488) provide for the conversion

or merging of a state bank into a national bank, but such conversion or merging is not recognized by our state law as the dissolution or disincorporation of a state bank and it stands upon the record as a state bank to all intent and purposes as though no merger had ever been attempted under the federal law. It therefore is a state bank the same as any other bank incorporated under our state law and is entitled to be treated as such.

It may be that we need some legislation under the authority of which the conversion of a state bank into a national bank will ipso facto act as a dissolution or disincorporation of the state bank. But as yet no such legislation appears upon our books and its enactment is wholly a matter of legislative judgment.

Until this bank is dissolved under some form recognized by state law it can plead its incorporation and existence in any action or proceeding that it may desire to institute or that may be instituted against it; hence, it is subject to the liabilities and rights and privileges which attach to a state banking corporation.

Very truly yours,

ALBERT J. GALEN,

Attorney General.