Banks—Insolvent Banks—Receiver.

Whether a bank that has voluntarily closed its doors may liquidate without the necessity of appointing a receiver, is a question to be determined by the Superintendent of Banks in the light of all the surrounding facts and circumstances.

L. Q. Skelton, Esq.,
Superintendent of Banks,
Helena, Montana.

My dear Mr. Skelton:

You have requested my opinion as to whether your department, under the provisions of Section 6109 of Chapter 90, Laws of 1923, may allow a bank, which has voluntarily closed its doors, to liquidate without the necessity of appointing a receiver.

Under the provisions of Section 6109 it is provided that the Superintendent of Banks shall retain his right of supervisory control over a bank, even though it is in process of voluntary liquidation, and if at any time he shall find that such liquidation is being improperly conducted, or that the interests of the depositors and creditors are not being properly protected, he shall proceed to take possession of the property and business of the bank and complete the liquidation thereof in the manner provided for involuntary liquidation.

It is, therefore, my opinion that the question of whether the bank shall be permitted to voluntarily liquidate is one for you, as Superintendent of Banks, to determine, after you have considered all of the surrounding facts and circumstances. If you believe that a bank is solvent and that voluntary liquidation of such a bank is the better method of protecting the interests of the depositors and creditors. I can see no reason that would prevent you, under your powers of supervisory control, from consenting to such procedure.

Very truly yours,
WELLINGTON D. RANKIN,
Attorney General.