

**National Banks—Trust Companies—Foreign Corporations  
—Banks and Banking.**

A national bank located in another state may do a trust business in Montana.

Jay G. Larson, Esq.,  
Superintendent of Banks,  
Helena, Montana.

December 1, 1926.

My dear Mr. Larson:

You have requested my opinion whether the Old National Bank & Union Trust Co. of Spokane, Washington has authority to transact a trust business in the state of Montana.

Under our statutes a trust company is classified as a bank. (Section 6015, R.C.M. 1921).

It was also contemplated by the legislature that a foreign corporation may not do a banking business in Montana. (Section 6045, R.C.M. 1921).

However, by an amendment of the federal reserve act appearing in the 1919 supplement to the Federal Statutes Annotated, page 257, the Federal Reserve Board was given power, among other things:

“To grant by special permit to national banks applying therefor, when not in contravention of State or local law, the right to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the national bank is located.

“Whenever the laws of such State authorize or permit the exercise of any or all of the foregoing powers of State banks, trust companies, or other corporations which compete with national banks, the granting to and the exercise of such powers by national banks shall not be deemed to be in contravention of State or local law within the meaning of this Act.”

It has been held that insofar as the state law is inconsistent with the federal act the state law must yield to the federal act, and that a state cannot interfere with the powers of a federal bank. (In re Turner's Estate, 120 Atl. 701, and cases therein cited and relied upon.)

It is therefore my opinion that the Old National Bank & Trust Co. of Spokane has authority to transact a trust business in the State of Montana.

Very truly yours,

L. A. FOOT,  
Attorney General.