

9-1101a. Issuance of capital notes or debentures, when; limitations. In accordance with normal business considerations and upon approval of stockholders owning 2/3 of the voting stock of the bank, the bank may issue convertible or nonconvertible capital notes or debentures in such amounts and under such terms and conditions as shall be approved by the state bank commissioner, except that the principal amount of capital notes or debentures outstanding at any time shall not exceed an amount equal to 100% of the bank's paid-in capital stock plus 50% of the amount of its unimpaired surplus fund. Capital notes or debentures which are by their terms expressly subordinated to the prior payment in full of all deposit liabilities of the bank shall be considered as part of the unimpaired capital funds of the bank for purpose of the computation of the bank's loan limit.

History: L. 1965, ch. 83, § 1; L. 2001, ch. 87, § 6; July 1.