

9-1112. Unlawful transactions. (a) No bank shall buy, sell or trade tangible property as a business or invest in the stock of another bank or corporation, except as specifically authorized.

(b) No bank shall sell, give or purchase any instrument, contract, security or other asset to or from any employee or to or from the bank's parent company or a subsidiary of the bank's parent company without prior approval of the commissioner. Approval of the commissioner need not be obtained for an assignment of third party loans and security for the payment thereof to or from a subsidiary of the bank's parent company.

(c) No bank shall acquire or make a loan on its own shares of stock, or the stock of the bank's parent company or a subsidiary of the bank's parent company except as provided in subsection (d) or except as provided in subsection (26) of K.S.A. 9-1101, and amendments thereto.

(d) A bank may hold or sell any property coming into its ownership in the collection of debts. All such property except legal investments, shall be sold within one year of acquisition, provided a commercially reasonable sale can occur.

(e) If a commercially reasonable sale cannot occur within one year, the bank shall not carry such property as a book asset, except that the commissioner may authorize a bank to carry such property as a book asset for a longer period.

History: L. 1947, ch. 102, § 41; L. 1975, ch. 44, § 18; L. 1981, ch. 52, § 1; L. 1985, ch. 56, § 3; L. 1988, ch. 61, § 3; L. 1990, ch. 59, § 1; L. 1993, ch. 31, § 3; L. 2001, ch. 36, § 1; July 1.