

# Chapter 713

1989 EDITION

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### CROSS REFERENCES

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## FINANCIAL INSTITUTIONS

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**713.010 Application of Bank Act to foreign and extranational institutions; when deposit insurance required.** (1) Every foreign institution and extranational institution doing business in this state is subject to all the provisions of the Bank Act. However, when there is a conflict between the provisions of this chapter and the provisions of another chapter of the Bank Act, the provisions of this chapter control.

(2) The Bank Act does not apply to any foreign or extranational copartnership, firm, joint stock company, association or corporation engaged in the business of loaning money on mortgage security which does not accept deposits or receive from citizens or residents of this state property or money in trust on deposit or for investment. [Amended by 1965 c.170 §2; 1967 c.333 §1; 1973 c.797 §307; 1975 c.725 §8, 1979 c.88 §13]

**713.012 Limitation on authority to act as fiduciary; authority of certain foreign trust companies to engage in trust business.** (1) A foreign institution or extranational institution shall not hold real or personal property in trust in this state or act in a fiduciary capacity except as provided in this section.

(2) A corporation qualified to act as a trust company in the state of its domicile and a national bank authorized by the appropriate authorities of the United States to act in a fiduciary capacity, whether or not the national bank is authorized to transact business in this state, may acquire, hold and transfer real or personal property in this state as trustee to secure indebtedness issued under the terms of a mortgage, deed of trust, security agreements or financing statements filed or recorded in this state.

(3) A corporation qualified to act as a trust company in the state of its domicile and a national bank authorized by the appropriate authorities of the United States to act in a fiduciary capacity, whether or not the national bank is authorized to transact business in this state, may invest collective investment funds without qualifying to do business in Oregon if the funds consist solely of assets of retirement, pension, profit sharing, stock bonus or other trusts which are exempt from federal income taxation under the federal Internal Revenue Code, and if the funds are lawfully held in trust, in real or personal property in the state. A corporation authorized under this subsection to invest trust funds in property in this state may hold title to the property as trustee and exercise all rights and remedies with regard to such property as any other trustee.

(4) Subsection (3) of this section applies to all property acquired prior to January 1, 1985, by a corporation or national bank au-

thorized to hold property in trust under this section. On and after January 1, 1985, subsection (3) of this section applies to a corporation or national bank permitted to hold property in trust in Oregon under subsection (3) of this section only if the state of its incorporation or domicile permits banks incorporated under the laws of Oregon or national banks domiciled in Oregon to hold title to property in trust in that state as provided in subsection (3) of this section.

(5) The prohibitions contained in this section do not apply to any national bank, foreign institution or extranational institution having a branch office in this state and lawfully doing a trust business on December 31, 1964.

(6) Notwithstanding any other provision of this section, the Bank Act or the Oregon Business Corporation Act, ORS chapter 60, any corporation which is organized under the laws of any of the states enumerated in this subsection for the purpose of acting as a fiduciary or otherwise engaging in the business of a trust company, may act as a fiduciary or otherwise engage in the business of a trust company in this state upon compliance with the following requirements. The corporation shall be:

(a) Organized under the laws of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Utah or Washington;

(b) Owned or controlled, either directly or indirectly, by a bank holding company which owns or controls, either directly or indirectly, a bank organized under the laws of this state, or a national bank or bank holding company which has its principal place of business in this state; and

(c) Subject to the jurisdiction of the director and comply with the provisions of ORS 713.020 and 713.050.

(7) Upon compliance with the requirements of ORS 706.005, 707.625, 713.012, 716.920 to 716.930, 722.056, 722.058, 722.066 to 722.072, 722.658 and 725.317, the director shall issue the corporation referred to in subsection (6) of this section a certificate of authority to transact business as provided in ORS 713.020 (2).

(8) A corporation which has been issued a certificate of authority to transact business in this state pursuant to ORS 706.005, 707.625, 713.012, 716.920 to 716.930, 722.056, 722.058, 722.066 to 722.072, 722.658 and 725.317 and the provisions of ORS 713.020 (2) shall have the same rights, powers and privileges as any trust company organized under the laws of this state or any trust department of a bank or national bank doing business in this state, except that such corporation may accept deposits of money

only in trust and not in the capacity of a debtor. [1973 c.797 §308, 1975 c.725 §9; 1979 c.362 §1; 1981 c.192 §22, 1983 c.37 §22, 1987 c.445 §16]

**713.016 When deposit insurance required; acceptance of deposits.** (1) A foreign institution shall not accept deposits in this state unless the deposits are insured by the Federal Deposit Insurance Corporation. This subsection does not apply to any foreign institution having a branch office in this state and lawfully doing a banking business on December 31, 1966, or to extranational institutions.

(2) Unless it complies with the requirements of ORS 713.025, an extranational institution shall not accept deposits in this state. This subsection and ORS 713.025 do not apply to any extranational institution having a branch office in this state and lawfully doing a banking business on December 31, 1966. [1973 c.797 §309; 1975 c.725 §10]

**713.020 Incorporation requirements.**

(1) Every foreign institution and extranational institution, doing business in this state, other than the loaning of money on mortgage security or performing those functions described in ORS 713.012 (2), shall, in addition to the requirements of the Bank Act, comply with ORS 713.120 to 713.260.

(2) The director shall issue to a foreign institution or extranational institution the certificate of authority to transact business in this state, provided for in ORS 713.140 to 713.160. [Amended by 1965 c.170 §3; 1973 c.797 §310, 1975 c.725 §11; 1983 c.37 §23; 1987 c.197 §8; 1989 c.324 §55]

**713.025 Assets requirement for extranational institutions.** (1) Every extranational institution with one or more offices in this state shall maintain in this state assets equal to the amount of deposit liabilities of the extranational institution payable at or through its offices in this state.

(2) As used in this section:

(a) "Assets" include currency, bonds, notes, debentures, drafts, bills of exchange or other evidences of indebtedness owed by persons in the United States and collectible in the United States in currency of the United States or, with prior approval of the director, in currency freely convertible into currency of the United States, but do not include prepaid expenses, customers' liability on acceptances and amounts due from other offices, agencies or branches of and wholly owned subsidiaries of the parent institution. For purposes of this section, assets may also include any assets held in a manner approved by the director.

(b) "Deposit liabilities" include the total amount of deposits in offices of the extranational institution in this state but do not include accrued expenses, amounts due

to other offices, agencies or branches of and wholly owned subsidiaries of the parent extranational institution, acceptances outstanding and borrowings.

(3) The director shall determine the value of the assets maintained for the purposes of this section and shall value marketable securities according to accepted principles of accounting. [1975 c.725 §3]

**713.030** [Repealed by 1973 c.797 §428]

**713.035 Failure to maintain required assets; notice to director; effect of deficiency.** If at the close of any banking day an extranational institution does not have in this state the assets required to be maintained under ORS 713.025, the managing officer in charge of the extranational institution shall immediately notify the director and the main office of the parent institution of the deficit. The extranational institution shall have three banking days to eliminate the deficiency. If the deficiency is not eliminated within the three-day period, the institution is prohibited from making loans, issuing letters of credit or accepting drafts or bills of exchange and the director may revoke its certificate of authority. [1975 c.725 §4]

**713.040** [Repealed by 1973 c.797 §428]

**713.045 Distribution of assets of extranational institution by director after insolvency or liquidation.** (1) If an extranational institution whose deposit liabilities are not insured to any extent by the Federal Deposit Insurance Corporation, becomes insolvent or goes into voluntary or involuntary liquidation or cannot otherwise pay its deposit liabilities, the assets required to be maintained under ORS 713.025 shall become the property of the director, free of any liens and other claims and shall be held by the director in trust and applied in the order of priority established in ORS 711.520.

(2) The amount available for distribution to the depositors under subsection (1) of this section shall be allocated to the depositors by dividing the total amount of cash to be distributed by the total number of depositors. The amount so determined shall be the basic distribution allocable to each depositor, however, any one depositor shall not receive an amount in excess of the depositor's account balances or \$20,000 whichever is the lesser.

(3) If any cash remains after the basic distribution, the director shall on a similar basis continue to compute the amount to be paid to those depositors for whom the first basic distribution would not permit payment in full.

(4) As used in this section, the term "depositor" has the meaning ascribed to it in ORS 711.515. [1975 c.725 §5]

**Note:** 713.045 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 713 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**713.050 Filing evidence of responsibility of parent organization.** Foreign institutions shall file with the director evidence, as the director requires, showing that the entire capital and surplus of the parent foreign institution or parent corporation is liable for all obligations of the branch of the foreign institution. [Amended by 1973 c.797 §313]

**713.060 Acceptance of drafts and bills of exchange; certain loans and acceptances based on paid-up capital and surplus.** (1) A foreign institution may, in accordance with ORS 708.380, accept drafts or bills of exchange or issue letters of credit based upon its entire paid-up capital and surplus. Drafts or bills of exchange shall not be accepted or letters of credit issued to any one person in excess of 10 percent of capital and surplus.

(2) An extranational institution, in accordance with ORS 708.030 and 708.380 may loan on real estate or leaseholds or may accept drafts or bills of exchange or issue letters of credit in this state, based upon its entire paid-up capital and surplus. Drafts or bills of exchange shall not be accepted or letters of credit issued to any one person in excess of 10 percent of capital and surplus. [Amended by 1973 c.797 §314, 1974 s.s. c.15 §1; 1975 c.725 §12; 1979 c.88 §14]

**713.070 Certificate authorizing mortgage loans; license fee.** A foreign institution or extranational institution may obtain from the director a certificate authorizing the foreign institution or extranational institution to make mortgage loans within the State of Oregon upon filing with the director an application for the certificate with a certified copy of its articles of incorporation, and upon payment to the director of an annual license fee of \$200. [Amended by 1973 c.797 §315; 1975 c.725 §13]

**713.080 Certain companies desiring to make mortgage loans must file resolution as to business to be transacted.** If any foreign or extranational copartnership, firm, joint stock company, association or corporation whose name contains the word "trust" or whose articles of incorporation empower it to do a trust business, desires to engage in the business of loaning money on mortgages in this state, it shall file with the director, in addition to its articles of incorporation or association, a resolution of its governing board, attested by its president and secretary, stating that it will not:

(1) Receive deposits in the State of Oregon;

(2) Accept from citizens or residents of the State of Oregon property or money in trust or for investment, except as provided in ORS 713.012; or

(3) Act in any capacity except as authorized by ORS 713.010, 713.012, 713.016 and 713.020. [Amended by 1973 c.797 §316; 1975 c.725 §14; 1981 c.192 §23]

**713.090 Reports.** Every foreign institution and extranational institution shall file reports under oath with the director in the form and giving the information the director may require. [Amended by 1973 c.797 §317; 1975 c.725 §15]

**713.100 Discontinuance of operations in state.** Before any foreign institution or extranational institution discontinues its operations in this state it shall file a sworn statement with the director to the effect that there are no obligations outstanding in this state which would require it to qualify under this chapter. [Amended by 1973 c.797 §318, 1975 c.725 §16]

**713.110 Forfeiture for violation of chapter; action to recover.** Any person violating any provision of this chapter shall forfeit to the Insurance and Finance Fund \$100 for each day during which the offense continues. The penalty shall be assessed and collected in the manner prescribed in ORS 706.570 (2). [Amended by 1973 c.797 §319]

**713.120 Certificate of authority; limitations.** No foreign institution or extranational institution shall be entitled to procure a certificate of authority under the Bank Act to transact in this state any business which an institution organized under the Bank Act is not permitted to transact. A foreign institution or extranational institution shall not be denied a certificate of authority by reason of the fact that the laws of the state or country, under which such institution is organized, governing its organization and internal affairs differ from the laws of this state. Nothing contained in this chapter shall be construed to authorize this state to regulate the organization or internal affairs of such institution. [1989 c.324 §57]

**713.130 Corporate name requirements.**

(1) The director shall not issue a certificate of authority to a foreign institution or extranational institution if the corporate name of the institution does not conform to ORS 707.075, except as provided in subsection (2) of this section.

(2) If the corporate name of the applicant foreign institution or extranational institution is deceptively similar to a corporate or limited partnership name or assumed business name, including any reserved name or registered corporate name of active record with the Secretary of State or the director,

the director shall not issue a certificate of authority to the applicant unless the foreign institution or extranational institution states the corporate name on the application for a certificate of authority under ORS 713.140 (1)(a) as \_\_\_\_\_ (name under which incorporated), an institution of \_\_\_\_\_ (place of incorporation), the entirety of which shall be the "real and true name" of the institution under ORS chapter 648. [1989 c.324 §58]

**713.140 Contents of application for certificate of authority.** (1) To procure a certificate of authority to transact business in this state, a foreign institution or extranational institution shall apply to the director. The application shall state:

(a) The corporate name as designated under ORS 713.130.

(b) The state or country under the laws of which the institution was incorporated.

(c) The date of incorporation.

(d) The period of duration of the institution, if the duration is not perpetual.

(e) A mailing address to which the director may send notices.

(f) The address of the principal office of the institution in the state or country under the laws of which it is incorporated.

(g) The street address of the proposed registered office of the institution in this state, and the name of its proposed registered agent, who shall be amenable to service of process at the address.

(h) A brief statement of the character of business it proposes to conduct in this state.

(i) The names and respective addresses of the president and secretary of the institution.

(j) Any additional information which the director may by rule require.

(2) The director may prescribe and furnish forms for the application. The president or a vice president and secretary or an assistant secretary of the foreign institution or extranational institution shall verify and sign the application. [1989 c.324 §59]

**713.150 Submission of application; issuance of certificate of authority.** (1) The foreign institution or extranational institution shall submit for filing to the director one original and one true copy of the application of the institution for a certificate of authority. The institution shall deliver with the completed application a certificate of existence or a document of similar import, duly authenticated by the official with custody of corporate records in the state or country under whose law it is incorporated.

(2) If the director finds that such application conforms to this chapter, the director, when all fees and charges have been paid, shall issue and return to the sender a certificate of authority to transact business in this state with the copy of the filed application. [1989 c.324 §60]

**713.160 Transaction of business under certificate of authority.** (1) Upon the issuance of a certificate of authority by the director, the foreign institution or extranational institution shall be authorized to transact in this state business of the character that it stated in its application, subject, however, to the right of this state to suspend or revoke the authority as provided in ORS 713.230.

(2) Until the director has deemed the certificate of authority revoked or withdrawn, a foreign institution or extranational institution that has received a certificate of authority shall, except as otherwise provided in this chapter, be subject to the same duties, restrictions, penalties and liabilities now or hereafter imposed upon an institution organized under the Bank Act.

(3) The corporate name designated under ORS 713.130 shall be accorded the same legal effect under ORS 707.075 and ORS chapters 647 and 648 as the corporate name of an institution organized under the Bank Act. Issuance of the certificate of authority shall not abrogate or limit the law as to unfair competition or unfair trade practices or derogate from the common law, the principles of equity or the statutes of this state or of the United States with respect to the right to acquire and protect trade names. [1989 c.324 §61]

**713.170 Registered office and agent.** Each foreign institution and each extranational institution authorized to transact business in this state shall have and continuously maintain in this state:

(1) A registered office which may be, but need not be, the same as its place of business in this state.

(2) A registered agent, which agent may be either an individual resident in this state whose business office is identical with such registered office, or a domestic corporation, or a foreign corporation authorized to transact business in this state having a business office identical with such registered office. [1989 c.324 §62]

**713.180 Change of registered office or agent.** (1) A foreign institution or extranational institution authorized to transact business in this state may change its registered office or change its registered agent, or both, upon filing in the office of the director a statement setting forth:

- (a) The name of the institution.
- (b) Any change of address of its registered office, including street and number, if any.
- (c) If its registered agent is changed, the name of its successor registered agent.
- (d) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.
- (e) That such change was authorized by resolution duly adopted by its board of directors.

(2) Such statement shall be executed by an officer of the institution, verified by the officer and delivered to the director. If a registered agent changes the business address of the registered agent to another place, the registered agent may change such address and the address of the registered office of any institution of which the registered agent is the registered agent by filing a statement required in subsection (1) of this section except that it need be signed only by the registered agent, need not be responsive to paragraph (c) or (e) of subsection (1) of this section and must recite that a copy of the statement has been mailed to each such institution. If the director finds that such statement conforms to the provisions of this chapter, the director shall file such statement in the office of the director. The filing of such statement shall immediately terminate the existing registered office or agent, or both, as the case may be, and establish the newly appointed registered office or agent, or both, as the case may be, of the institution.

(3) Any registered agent of a foreign institution or extranational institution may resign as agent upon filing a signed statement with the director. The resignation shall become effective 30 days after the filing of the signed statement, unless the institution appoints a successor registered agent as provided in this section, thereby terminating the capacity of the resigning agent. Upon the filing of the signed statement, the director shall forthwith notify the institution of the filing of such statement and the effect thereof. Such notice shall be addressed to the institution at its principal office as shown by the records of the director. [1989 c.324 §63]

**713.190 Service of process on agent; director as agent.** (1) The registered agent appointed by a foreign institution or extranational institution authorized to transact business in this state shall be an agent of such institution upon whom any process, notice or demand required or permitted by law to be served upon the institution may be served.

(2) The director shall be an agent of a foreign institution or extranational institution upon whom any process, notice or demand may be served, if:

(a) The institution is authorized to transact business in this state, and:

(A) It fails to appoint or maintain a registered agent in this state;

(B) Its registered agent cannot with reasonable diligence be found at the registered office; or

(C) Its certificate of authority has been suspended or revoked;

(b) The institution is transacting business in this state without the authorization provided by this chapter;

(c) The institution has been authorized to transact business in this state and has withdrawn and consented to service on the director as prescribed in this chapter; or

(d) The institution has transacted business in this state without the authorization to do so, has ceased to transact business and has become subject to service on the director as prescribed in this chapter.

(3) Except as provided in subsection (4) of this section, service on the director of any such process, notice or demand shall be made by:

(a) Service on the director or a clerk on duty in any office of the director of a copy of the process, notice or demand with any papers required by law to be delivered in connection with the service, or by mailing to the director a copy of the process, notice or demand by certified or registered mail, and a \$2 fee for each document being served; or

(b) Transmittal by the person instituting the proceedings of notice of the service on the director and a copy of the process, notice or demand and accompanying papers to the foreign institution or extranational institution being served by certified or registered mail:

(A) At the last-registered office of the institution as shown by the records of the director;

(B) At such address, the use of which the person initiating the proceedings knows or, on the basis of reasonable inquiry, has reason to believe is most likely to result in actual notice; and

(C) Filing with the appropriate court or other body, as part of the return of service, the return receipt of mailing and an affidavit of the person initiating the proceedings stating compliance with this section.

(4) When the foreign institution or extranational institution that is being served with the process, notice or demand is not

authorized to transact business in this state and was not authorized to transact business in this state at the time the transaction, event or occurrence upon which the suit or proceeding is based occurred, service shall be made in the same manner as provided in subsection (3) of this section, except that the copy of the process, notice or demand shall be sent forthwith by registered or certified mail by the plaintiff or the attorney of the plaintiff to the principal office or place of business of the institution, instead of the last-registered office of the institution.

(5) The director shall keep a record of all processes, notices and demands served upon the director under this section.

(6) Nothing contained in this section shall limit or affect the right to serve any process, notice or demand required or permitted by law to be served upon a foreign institution or extranational institution in any other manner now or hereafter permitted by law, or enlarge the purposes for which service on the director is permitted where such purposes are limited by other provisions of law. [1989 c.324 §64]

**713.200 Change of corporate name or duration.** (1) If a foreign institution or an extranational institution authorized to transact business in this state changes its corporate name or duration, it shall apply to the director to amend its certificate of authority.

(2) The requirements in respect to the form and contents of the application, the manner of its signing and the submission of the original application and a true copy of the application with the director shall be the same as in the case of an original application for a certificate of authority under ORS 713.140. The filing of the application for the amended certificate of authority by the director shall have the same legal effect as the filing of the original certificate of authority. [1989 c.324 §65]

**713.210 Withdrawal from state.** (1) A foreign institution or extranational institution authorized to transact business in this state may withdraw from this state by applying to the director to withdraw. An application to withdraw shall set forth:

(a) The name of the institution and the state or country under the laws of which it is incorporated.

(b) A statement that the institution no longer transacts business in this state.

(c) A statement that the institution surrenders its authority to transact business in this state.

(d) A statement that the institution revokes the authority of its registered agent in this state to accept service of process, notice

or demand and consents that service of process, notice or demand in any action, suit or proceeding based upon any transaction, event or occurrence which took place in this state prior to the filing of the application to withdraw may thereafter be made on such institution by service thereof on the director.

(e) A mailing address to which the person initiating any proceedings may mail a copy of any process, notice or demand, which has been served on the director, to the institution.

(f) Such additional information as may be necessary or appropriate to enable the director to determine and assess any unpaid fees or charges payable by such institution as prescribed in the Bank Act.

(2) The application for withdrawal may be made on forms prescribed or furnished by the director and shall be signed by the institution by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing the application or, if the institution is in the hands of a receiver or trustee, shall be signed on behalf of the institution and verified by the receiver or trustee.

(3) A foreign institution or extranational institution which transacted business in this state without the authorization provided by this chapter will be subject to service after it has ceased to transact business in this state in the same manner as though it had been authorized to transact business, had later withdrawn and, in connection with such withdrawal, had filed a consent to service in the manner required by paragraph (d) of subsection (1) of this section. [1989 c.324 §66]

**713.220 Application for withdrawal.** (1) One original and one true copy of such application to withdraw shall be delivered to the director. If the director finds that such application conforms to the provisions of this chapter, the director, when all fees and charges have been paid, shall file the application to withdraw and return the copy marked "Filed" to the sender.

(2) Upon the filing of the application to withdraw, the authority of the foreign institution or extranational institution to transact business in this state shall cease. [1989 c.324 §67]

**713.230 Revocation of certificate of authority.** The certificate of authority of a foreign institution or extranational institution to transact business in this state may be revoked when:

(1) The institution has not filed any report which it is required to file under the Bank Act or has not paid any fee which it is required to pay under the Bank Act;

(2) The institution has failed to appoint or maintain a registered agent or office in this state as required by ORS 713.170;

(3) The institution has changed its registered office or registered agent and has failed to submit to the director a statement of the change as required by this chapter;

(4) A misrepresentation has been made of any material matter in any application, report, affidavit or other document submitted by such institution pursuant to the Bank Act;

(5) The institution has failed to submit for filing an application to amend its certificate of authority as required by ORS 713.200; or

(6) The institution has failed to submit for filing a certificate of merger or consolidation as required by ORS 713.260. [1989 c 324 §68]

**713.240 Procedure for revocation of certificate of authority; restoration.** (1) Whenever a foreign institution or extranational institution has given cause for revocation of its certificate of authority as provided in ORS 713.230 and has failed to correct the neglect, omission, misrepresentation or delinquency, the director may revoke the right of the institution to transact business in this state. The director shall mail a notice of the revocation to the mailing address shown for the institution in the current records of the director to the institution at its registered office in this state or its principal office in its home state.

(2) After the director revokes the certificate of authority, all powers that this state conferred upon the foreign institution or extranational institution shall cease, and thereafter no person shall exercise or attempt to exercise in this state any power under the revoked certificate of authority.

(3) Whenever it is established to the satisfaction of the director that any foreign institution or extranational institution, the certificate of authority of which has been revoked under subsection (1) of this section or by proclamation of the Governor under any prior law or by operation of any prior law, has corrected the cause for revocation, the director shall restore the institution to all its former rights and privileges in the same manner as the director revoked the authority of the institution.

(4) Any foreign institution or extranational institution previously authorized to transact business in this state that has had its certificate of authority revoked and that has corrected the cause for revocation under subsection (1) of this section may apply for reinstatement of its certificate of authority. The foreign corporation or

extranational institution shall pay all fees which accrued before the director revoked the certificate of authority and a reinstatement filing fee of \$100. The payment shall accompany the application for reinstatement. If the director is satisfied that the cause for revocation has been corrected, the director shall file the application for reinstatement of the institution, entitling it to resume its business in this state. The director shall not file the application for reinstatement unless the corporate name of the institution conforms to ORS 713.130.

(5) Reinstatement under this section relates back to and takes effect as of the effective date of the revocation of the certificate of authority, so that the existence of the institution is deemed to have continued without interruption from that date.

(6) The reinstated institution is not relieved by reason of the reinstatement from any penalty of forfeiture of its powers as a body corporate in case of its failure to pay subsequently accruing licenses and taxes imposed by any law of this state.

(7) Nothing contained in this section shall be construed to affect any suit brought for any liability against the stockholders or officers of any institution, to revive any charter of foreign institutions or extranational institutions previously dissolved or annulled, or to make valid any defective organization of any institution.

(8) Suits and actions upon choses in action arising out of contracts sold or assigned by any foreign institution or extranational institution, the right of which to transact business in this state has been revoked under subsection (1) of this section, may be brought or prosecuted in the name of the purchaser or assignee. The fact of sale or assignment and of purchase by the plaintiff shall be set forth in the writ or other process. The defendant may rely on any matter of defense which the defendant might have relied on in a suit upon the claim by the foreign institution or extranational institution, had its right to transact business in this state not been revoked. [1989 c 324 §69]

**713.250 Limits on institutions without certificates of authority.** (1) No foreign institution or extranational institution transacting business in this state without a certificate of authority shall be permitted to maintain any action, suit or proceeding in any court of this state until such institution shall have obtained a certificate of authority. Nor shall any action, suit or proceeding be maintained in any court of this state by any successor or assignee of such institution on any right or demand arising out of the transaction of business by such institution in

this state until a certificate of authority shall have been obtained by such institution or by an institution which has acquired all or substantially all of its assets.

(2) The failure of a foreign institution or extranational institution to obtain a certificate of authority to transact business in this state shall not impair the validity of any contract or act of such institution, and shall not prevent such institution from defending any action, suit or proceeding in any court of this state.

(3) A foreign institution or extranational institution which transacts business in this state without a certificate of authority shall be liable to this state for the years or parts thereof during which it transacted business in this state without a certificate of authority in an amount equal to all fees and charges which would have been imposed upon the institution under the Bank Act had it duly applied for and received a certificate of authority to transact business in this state as required by this chapter and thereafter filed all reports required by the Bank Act,

plus all penalties imposed under the Bank Act for failure to pay such fees and charges. The Attorney General shall bring proceedings to recover all amounts due this state under the provisions of this section. [1989 c.324 §70]

**713.260 Merger or consolidation.** (1) Whenever a foreign institution or extranational institution authorized to transact business in this state ceases to exist because of a statutory merger or consolidation with any other foreign institution, extranational institution or other foreign corporation, it shall, within 60 days after the effective date of such merger or consolidation, file with the director a certificate from the appropriate public officer of the state, territory or country under the laws of which it is organized to the effect that such institution has merged or consolidated and has thereby ceased to exist.

(2) There shall be no charge for filing the certificate. [1989 c.324 §71]