

"AN ACT TO AMEND SECTION 30 OF ACT 113 OF 1913, AS AMENDED [ARK.STAT. 67-506] TO PROHIBIT THE USE OF BANK HOLDING COMPANY STOCK AS SECURITY FOR A LOAN AT ITS SUBSIDIARY BANK; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 30 of Act 113 of 1913, as amended, the same being Arkansas Statutes 67-506, is hereby amended to read as follows:

"Section 30. It shall be unlawful for any bank or trust company to knowingly loan its funds to its stockholders on its own stock, or stock in its bank holding company, as collateral security, or to make any loan the proceeds of which are used to purchase its own stock, or stock of its bank holding company, or to carry as an asset any loan representing, either directly or indirectly, an investment in its own stock or that of its bank holding company. For purposes of this section a bank holding company is defined as owning 5% or more of the lending bank's stock. Any officer or director of any bank or trust company operating under the laws of this State, or any stockholder violating the provisions of this Section shall be guilty of a misdemeanor punishable by a fine of not less than \$50.00 or more than \$500."

APPROVED: April 13, 1987
