

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

ACT 87 OF 1997
HOUSE BILL 1086

4
5 By: House Interim Committee on Insurance and Commerce
6 By: Senate Interim Committee on Insurance and Commerce

For An Act To Be Entitled

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9 "AN ACT TO REENACT ARKANSAS CODE 23-34-103 PERTAINING TO
10 THE MISLEADING USE OF TERMS RELATING TO FINANCIAL
11 INSTITUTIONS; AND FOR OTHER PURPOSES."

Subtitle

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14 "TO REENACT ARKANSAS CODE PERTAINING TO
15 MISLEADING USE OF TERMS RELATING TO
16 FINANCIAL INSTITUTIONS."

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

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20 SECTION 1. Misleading actions or use of words by unauthorized persons.

21 (a)(1) All persons, except those described in subdivision (a)(2) of
22 this section are prohibited from using in this state, as a portion of or in
23 connection with their place of business, their name or title, or in reference
24 to themselves in their stationery or advertising, the following words or
25 phrases, alone or in combination with any other word or phrase: ~~bank~~,
26 ~~banker~~, ~~bankers~~, ~~banking~~, ~~federal reserve~~, ~~trust company~~,
27 ~~trust~~, "savings and loan," "credit union," or ~~building and loan~~, or any
28 other word or phrase which tends to induce the belief that the party using it
29 is authorized to engage in the business of a bank, trust company, savings and
30 loan association, or credit union.

31 (2) The prohibitions contained in subsection (a)(1) hereof shall not
32 apply to those persons which discharge the burden of proving their authority
33 to use the words or phrases described in subsection (a)(1) hereof under the
34 laws of this or another state or of the United States

35 (b) All persons, except those described in subdivision (a)(2) of this
36 section, are prohibited from doing or soliciting business in this state

1 substantially in the manner, or so as to induce the belief, that the business,
 2 in whole or in part, is that of a bank, savings bank, trust company, credit
 3 union, or savings and loan association, either by the sale of contract, or of
 4 shares of its capital stock upon partial or installment payments thereof, or
 5 by the receipt of money, savings, dues, or other deposits, or by the issuance
 6 of certificates of deposit or certificates of investment of money, savings or
 7 dues.

8 (c) Nothing in this section shall be construed as preventing the use of
 9 the word ~~“bankers”~~ in combination with other words in connection with the
 10 place of business, name, and title of any finance or investment company
 11 operated in connection with, as a subsidiary to, or having joint offices with,
 12 a bank or trust company in this state, if the bank or trust company is subject
 13 to the supervision of the Commissioner and if the bank or trust company has
 14 the word ~~“bankers”~~ alone or in combination with other words in its name or
 15 title.

16 (d) Each violation of subsection (a) of this section shall constitute a
 17 felony which shall be punished by a fine of five hundred dollars (\$500) per
 18 violation or by imprisonment not exceeding one (1) year, or by both fine and
 19 imprisonment.

20 (e) It is declared to be public policy that this law be liberally
 21 construed in favor of its enforcement.

22 (f) Nothing in this section shall be construed to authorize any person
 23 to engage in any activity not otherwise authorized under Arkansas law.

24 (g) "Person," when used in this section means an individual,
 25 corporation, partnership, joint venture, trust, estate, limited liability
 26 company or other unincorporated association or any other legal or commercial
 27 entity.

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29 SECTION 2. All provisions of this act of a general and permanent nature
 30 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 31 Revision Commission shall incorporate the same in the Code.

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33 SECTION 3. If any provision of this act or the application thereof to
 34 any person or circumstance is held invalid, such invalidity shall not affect
 35 other provisions or applications of the act which can be given effect without
 36 the invalid provision or application, and to this end the provisions of this

1 act are declared to be severable.

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3 SECTION 4. All laws and parts of laws in conflict with this act are
4 hereby repealed.

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6 SECTION 5. EMERGENCY. It is hereby found and determined by the General
7 Assembly that the Arkansas Banking Act of 1997 goes into effect on May 31,
8 1997; that the law addressed by this act was repealed by the Arkansas Banking
9 Act of 1997 for technical purposes; that this act will reenact that law with
10 necessary changes; and that this act must go into effect on May 31, 1997, in
11 order to correlate with the Banking Act of 1997. Therefore an emergency is
12 declared to exist and this act being immediately necessary for the
13 preservation of the public peace, health and safety shall be in full force and
14 effect from and after May 31, 1997.

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APPROVED: 2-04-97

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