

Maryland. Every trust company shall keep on hand at all times a reserve of at least 10 per cent of its deposits payable on demand (not including thereunder, however, any deposits made by the City of Baltimore and secured by the counter deposits of Baltimore City stock); which reserve shall be kept on deposit in such bank or banks, or trust company or trust companies of good standing, either in the State of Maryland or elsewhere, as the board of directors or executive committee may direct; and every trust company shall also keep on hand, as an additional reserve, at least 5 per cent of the amount of such deposits, which additional reserve may be kept on deposit in such bank or banks or trust company or trust companies as the board of directors or executive committee thereof may direct, or in the form of registered or coupon bonds or public stock of the United States, or the State of Maryland, or of Baltimore City, or of the bonds of any county or municipal corporation of this State, which shall be approved by the Bank Commissioner. Every trust company shall also keep on hand at all times a reserve of at least three per cent (3%) of their time deposits; which reserve may be kept as cash on hand, or on deposit in such bank or banks, or trust company or trust companies of the State of Maryland, or elsewhere, of good standing, as the board of directors or executive committee by resolution may direct, or in the form of direct obligations of the United States Government, or the State of Maryland. Cash items shall not be considered as a part of the reserve herein required to be kept by either banks or trust companies, but cash actually on hand held by a trust company shall be considered as a part of the reserve herein first required to be kept by such trust company.

Cited in holding that trustee, who was president of trust company in which trust fund was deposited, had sufficient knowledge of financial situation to make him liable for loss of trust fund by his failure to remove it and convert it into safer investment. *Zimmerman v. Coblentz*, 170 Md. 483.

An. Code, 1924, sec. 63. 1912, sec. 62A. 1914, ch. 805, sec. 61A. 1931, ch. 294, sec. 63.

**79.** No bank or trust company shall carry without the approval of the Bank Commissioner for a longer period than ninety days bills payable or rediscounts in an aggregate amount greater than its paid in capital and surplus. The period of ninety days herein specified may be extended with the written authority of the Bank Commissioner.

An. Code, 1924, sec. 63A. 1933, ch. 579.

**80.** No bank or trust company shall hereafter make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and the stock so purchased or acquired shall, within twelve months from the time of its purchase or acquisition, unless the time be further extended by the Bank Commissioner, be sold or disposed of at public or private sale; or, in default thereof, the said bank or trust company shall be regarded as conducting its business in an unauthorized manner, and the Bank Commissioner may take possession of any such institution as receiver in the manner provided by Section 12 of this Article; provided, however, that nothing contained in this section shall apply to any shares of capital stock pledged to any bank or trust company prior to April 21, 1933. For the purposes of this section the term "bank" shall include savings institutions having a capital stock.