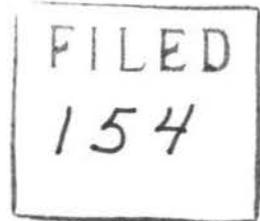


June 14, 1971

Answer by letter-Craft

OPINION LETTER NO. 154

Honorable Joe D. Holt
Representative, District 102
Room 405, Capitol Building
Jefferson City, Missouri 65101



Dear Representative Holt:

This is in answer to your letter requesting an opinion with respect to the following matter:

"Section 362.105 of the Revised Missouri Statutes concerns the general powers and authority of banks and trust companies. Subsection (5) of that section specifically provides that banks may 'invest in a bank service corporation' pursuant to the Bank Service Corporation Act. However, there appears to be a dearth of case law regarding the specific subject of banks acting as holding companies.

"It would further be appreciated if your office would provide an Attorney General's opinion which interprets or construes the law in Missouri with regard to holding companies in general and the legality thereof in Missouri."

This office has not issued any opinions with respect to the propriety of banks acting as holding companies. With respect to the power granted by Section 362.105(5), this power enables Missouri banks and trust companies to invest in corporations established in accordance with Title 12, U.S.C.A., Sections 1861-1865, bank service corporations. A bank service corporation is defined in Section 1861(c) as follows:

"The term 'bank service corporation' means a corporation organized to perform bank services

Honorable Joe D. Holt

for two or more banks, each of which owns part of the capital stock of such corporation, and at least one of which is subject to examination by a Federal supervisory agency."

Similarly, by Section 1864, a bank service corporation is limited to the performance of "bank services for banks." In Section 1861(b) the term "bank services" is defined as follows:

"The term 'bank services' means services such as check and deposit sorting and posting, computation and posting of interest and other credits and charges, preparation and mailing of checks, statements, notices, and similar items, or any other clerical, bookkeeping, accounting, statistical, or similar functions performed for a bank."

The purpose of the federal act is described in Volume 2, U.S. Code Congressional and Administrative News, 87th Congress, Second Session, 1962 at page 3878, et seq. There (at page 3879) the purpose of the bill is explained as follows:

"The purpose of H.R. 8874 is to enable banks to make use of modern automated equipment by means of stock ownership in a jointly owned bank service corporation.

"Much of this equipment is too expensive for a small or medium-sized bank to purchase for its own use. . . ."

Your letter also requests that we provide an Attorney General's opinion ". . . which interprets or construes the law in Missouri with regard to holding companies in general and the legality thereof in Missouri."

Chapters 361 and 362, RSMo, do not contain statutes which specifically deal with bank holding companies, and we believe that your question is too general for this office to make a ruling but that a ruling can be made only on a specific factual situation.

Yours very truly,

JOHN C. DANFORTH
Attorney General