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By Mr. Weinberg of Boston, petition of Norman S. Weinberg and another relative to investments by savings banks.

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**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Seventy-Two.

AN ACT RELATIVE TO INVESTMENTS BY SAVINGS BANKS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Subsection 6 of section 49 of chapter 168 of the General  
2 Laws is hereby amended by striking out subsection 6 and  
3 inserting in place thereof the following new subsection, so as to  
4 read as follows: —

5 6. Bank Debentures, Convertible Debentures, Notes or Other  
6 Evidences of Indebtedness. — Debentures, convertible debentures,  
7 notes or other evidence of indebtedness of (a) a banking  
8 corporation in the common stock of which such corporation  
9 may invest pursuant to paragraph 1 of section forty-seven; or  
10 (b) a banking corporation in the common stock of which such  
11 corporation may invest pursuant to paragraph 2 of said section  
12 forty-seven; provided that, in either case, at the date of invest-  
13 ment, the combined total of all outstanding debentures, con-  
14 vertible debentures and notes of such banking corporation is  
15 equal to less than sixty-six and two-thirds per cent of the  
16 combined total of its capital stock, surplus, undivided profits  
17 and reserve for contingencies. If, after such investment, such  
18 banking corporation issues debentures, convertible debentures  
19 or notes which, when added to the combined total of all of its  
20 already outstanding debentures, convertible debentures or  
21 notes, equal sixty-six and two-thirds per cent or more of the  
22 combined total of its capital stock, surplus, undivided profits  
23 and reserve for contingencies, any debentures, convertible  
24 debentures, notes, other evidence of indebtedness or capital

25 stock owned by such corporation shall be disposed of within a  
26 reasonable time and in no event later than any date which may  
27 be specified by the commissioner, and the capital stock of such  
28 issuing bank shall be removed forthwith from the list provided  
29 for in section fifty-one. Not more than ten per cent of its  
30 deposits shall be invested by any such corporation in debentures,  
31 convertible debentures, notes or other evidences of indebtedness  
32 of such banking corporations and not more than two per cent of its  
33 deposits shall be invested by any such corporation in debentures,  
34 convertible debentures, notes or other evidences of indebtedness  
35 of any one banking corporation.  
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