



OFFICE OF THE ATTORNEY GENERAL OF TEXAS
AUSTIN

GERALD C. MANN
ATTORNEY GENERAL

May 18, 1939

Hon. George Van Fleet, Actuary
Board of Insurance Commissioners
Austin, Texas

Dear Sir:

Opinion No. O-661
Re: Securities required by Art. 4983,
R. C. S. of Texas 1925, may not
be endorsed or stamped as provided
for in Art. 2530, R. C. S. of Texas,
1925.

This will acknowledge receipt of your letter of April 19, 1939, in which you request the opinion of this department on the question therein presented. For the purpose of correctly stating your inquiry we here set out the pertinent parts of your letter:

"The Second National Bank of Houston, Texas, has on deposit with the State Treasurer \$50,000 in securities, which deposit has been made under Articles 4982 to 4986, Revised Civil Statutes of 1925. The deposit consists of 5 Consolidated Federal Land Bank 3% Bonds, each for \$10,000. The Bank has requested to know whether or not, if they elect to do so, they may have their bonds endorsed or stamped, as provided in Article 2530, Revised Civil Statutes of 1925.

"Your opinion is respectfully requested as to whether or not the securities in question, which are deposited in accordance with the articles referred to, may be endorsed or stamped as provided for in Article 2530, Chapter 1, Title 47, Revised Civil Statutes of 1925."

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Articles 4982 to 4986, both inclusive, constitute Section 2, Chapter 16, Title 78, Revised Civil Statutes of Texas 1925, and deal with insurance companies and the right of certain type organizations therein described to assume and exercise additional powers and privileges permitted thereby.

The \$50,000.00 in securities deposited with the state treasurer by the Second National Bank of Houston, Texas, were deposited in accordance with the requirements of Article 4985, Revised Civil Statutes, for the purpose of enabling such bank to qualify to exercise the additional rights and privileges afforded by Article 4982, Revised Civil Statutes.

Paragraph (3) of Article 2530, Revised Civil Statutes of Texas 1925, reads in part as follows:

"Any bank making deposits of bonds or other securities with the treasurer under the provisions of this act may cause such bonds or other securities to be endorsed or stamped, as they may deem proper, so as to show that they are deposited as collateral and not transferable, except as herein provided."

It is to be noted that it is specifically provided that the act of endorsing or stamping securities is limited to a bank making deposits "under the provisions of this act."

Article 2530, above quoted from, is a part of Chapter 1, Title 47, dealing with state depositories. It is apparent therefore, that the phrase "under the provisions of this act" has reference only to Title 47, Revised Civil Statutes, dealing with depositories and has no connection with Section 2, Chapter 16, Title 78, Revised Civil Statutes of Texas.

It is therefore the opinion of this department

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and you are so advised that the provisions for endorsing or stamping bonds contained in Article 2530, supra, have no application to the securities required by Article 4983, supra, and that the Second National Bank of Houston, Texas, will not be privileged to avail itself of such right.

Trusting that this satisfactorily answers your inquiry, we are

Very truly yours

ATTORNEY GENERAL OF TEXAS

(signed) Lloyd Armstrong

By

Lloyd Armstrong
Assistant

LA:AW

APPROVED:

(signed) Gerald C. Mann

ATTORNEY GENERAL OF TEXAS