

IB49**Loans Secured by Corporate Stock** [Section 11-108-201(4), C.R.S.]

- A. No industrial bank shall make any loan or discount secured by the shares of its own capital stock or by its obligations subordinate to deposits. No industrial bank may originate loans secured by the shares of capital stock or obligations subordinate to deposits of the bank's ultimate holding company or intermediary holding companies if the proceeds from the loan directly or indirectly benefit the holding company. No industrial bank shall purchase the stock of any other corporation except such as it may necessarily acquire in the protection or satisfaction of previously existing loans made in good faith and except as provided by statute. An industrial bank may purchase its own stock upon obtaining written approval from the Colorado Division of Banking and the affirmative vote of shareholders owning two-thirds of the bank's capital stock. The repurchase of such stock shall be in accordance with Section 7-106-302, C.R.S.

Amended Effective June 30, 2005

Amendments correct minor grammatical and technical errors.

Amended Effective March 1, 2004

Statutory reference amendment to conform Rule to recodified statutes; update terminology to conform to recodified statutes; formatting changes to comply with Colorado Secretary of State guidelines.

Amended Effective June 30, 1998

Technical corrections.