

X-7258

DIGEST OF STATE LAWS RELATING TO THE PURCHASE
OR OWNERSHIP OF BANK STOCK BY HOLDING
CORPORATIONS.

(Superseding X-6392)

There is given below a digest of the laws of the several States relating to the purchase or ownership of the stock of banks by holding corporations. This digest has been prepared by the Office of the General Counsel to the Federal Reserve Board, with the assistance of the Counsel to the various Federal reserve banks, and shows the status of the State legislation dealing with this subject as of August 1, 1932.

The States not mentioned in this digest apparently have no legislation affecting this subject directly or indirectly.

-2-

ALABAMA.

There does not appear to be any legislation in this State specifically authorizing a holding corporation to purchase or own bank stocks; but Section 7015(10) of the Code of Alabama, which relates to the powers, rights and duties of corporations in general, authorizes a corporation "to subscribe for, acquire, hold, and dispose of the stock, bonds or other evidence of indebtedness of any other corporation of this or any other State or foreign countries, and while owner thereof to exercise the rights, privileges, and powers of ownership, including the right to vote, subject to the limitations of such rights in this chapter contained; * * *."

ARIZONA.

There do not appear to be any statutes in this State specifically dealing with this subject. In these circumstances, it may be that holding corporations are authorized to purchase bank stocks under the provisions of Section 579 of the 1928 Revised Code of Arizona, which became effective July 1, 1929. This section relates to corporations in general and provides that any corporation shall have power "to make contracts, acquire and transfer property, possessing the same powers in such respect as private individuals now enjoy.

-3-

ARKANSAS.

There do not appear to be any statutes in this state specifically authorizing or forbidding a holding corporation to purchase or own bank stock, but Section 3 of Act No. 252 of the 1931 Acts of Arkansas, approved March 31, 1931, provides that "any person or persons, and/or any company, co-partnership, corporation or other legal entity in which such person or persons own or control a substantial interest, owning either singly or jointly an aggregate of fifty (50) per cent or more of the capital stock of three or more banks and/or trust companies, thus forming a chain or group of banks and/or trust companies, shall be, and are hereby prohibited from borrowing from, or becoming indebted to, such banks and/or trust companies, thus owned and controlled, in any amount or in any manner"; and this would seem to recognize by implication the right of holding corporations to own bank stocks.

CALIFORNIA.

There does not appear to be any statute in this State which specifically authorizes a holding corporation to purchase or own bank stocks. However, the General Corporation Law enacted by the 1931 Legislature of this State (C.C. 341), provides that "Every corporation heretofore or hereafter organized has power * * * (10) To acquire, subscribe for, hold, own, pledge and otherwise dispose of and vote shares of stock, bonds and securities of any other corporation, domestic or foreign."

IDAHO

There does not appear to be any statute in this State specifically dealing with the purchase or ownership of bank stock by holding corporations; but Section 10 of Chapter 262 of the 1929 laws provides that a corporation formed under the general corporation law may "acquire, purchase, guarantee, hold, mortgage, own, vote, sell, pledge and/or otherwise dispose of and deal in shares * * * of other corporations, domestic or foreign".

There is also no double liability against stockholders of State banks in this State, but the banking law requires that stockholders at the time of the organization of such banks must produce satisfactory evidence that they have a net worth over and above all liabilities and exemptions of at least three times the amount of the capital stock taken by them in the process of such organization. (Sec. 12(e), Bank Act of 1925).

ILLINOIS.

The General Corporation Law of this State provides that corporations organized thereunder may "own, purchase or otherwise acquire * * * stocks, * * of any corporation, domestic or foreign." The statute contains some restrictions, such as forbidding the holding of stock in a building corporation, but there is no express prohibition therein upon the right of a corporation to own stock in a bank, although there may be an implication to that effect. (See Section 2, page 743, of the Illinois Revised Statutes of 1931, (Smith and Hurd) prohibiting the organization of a corporation under the

(Illinois - continued)

provisions of the general corporation law for the purpose of engaging in a banking business and the case of Central Life Securities Company, v. Smith, 236 Fed. 170). Moreover, Section 6 of the Illinois Banking Act, by referring to stockholders of banks by the use of the pronouns "he" or "she", may create the implication that it was intended that such stockholders should be natural and not artificial persons.

INDIANA.

There do not appear to be any statutes in this State specifically authorizing or forbidding corporations to own bank stocks; but section 4 of an act of the Indiana Legislature approved March 2, 1931, provides in part that, "The shareholders in any corporation formed under the provisions of any law of this State for any purpose whatsoever, and the shareholders in any corporation formed under the laws of any other State or country and admitted to do business in this state, shall be held individually responsible for all contracts, debts and engagements of any bank, the shares of which are held by any such corporation, each to the amount which the said shareholder's interests in said corporation, as represented by his shares of capital stock in the same, bears to the total amount necessary to be collected from the holders of shares of stock in any such bank, * * *"; and this would seem to recognize by implication the right of holding corporations to own bank stock,

On the other hand, section 2 of chapter 215 of the 1929

(Indiana - continued)

Acts of Indiana provides that, "corporations may be organized for pecuniary profit under this act for any lawful business purpose or purposes, except * * * corporations for the conduct of a banking, * *, trust * * * business". Section 3 of this chapter also authorizes such corporations "to acquire, guarantee, hold, own and vote and to sell, assign, transfer, mortgage, pledge or otherwise dispose of the capital stock, bonds, securities or evidences of indebtedness of any other corporations, domestic or foreign," but provides that, "No corporation shall, by any implication or construction, be deemed to possess the power of carrying on the business of receiving deposits of money, bullion or foreign coins, or of issuing bills, notes or other evidences of debt for circulation as money."

It thus appears that the provisions of the 1929 statute prohibit the organization and operation thereunder of a corporation to do a banking business; and, in these circumstances, the provisions might be construed as prohibiting a holding corporation from owning a controlling interest in the stock of a bank, since such an interest would permit the corporation to control the operation of the bank and thereby enable it to accomplish indirectly what the law prohibits it from doing directly.

IOWA.

Section 7940 of the 1927 Iowa Code, which authorizes corporations to hold stock in railway corporations, and Section 8434 of this Code, which recognizes the right of holding corporations to own stock in a public utility, contain the only provisions of the Iowa Laws relating to the ownership by corporations of stock in other corporations. However, Section 9 of Article VIII of the Iowa Constitution, which fixes

(Iowa - continued)

the liability of stockholders of banks and refers to such stockholders by using the pronouns "he" or "she", may by implication require stockholders in banks to be natural and not artificial persons.

KANSAS.

There does not appear to be any legislation in this State expressly authorizing or forbidding a holding corporation to own bank stock; but it would seem that the right of corporations to own bank stock is recognized by implication by reason of a statute enacted in the year 1931 (Laws of 1931, ch. 83). This statute authorizes the bank commissioner or his assistants to examine "any investment or holding company or corporation which is affiliated with any bank or trust company". The bank commissioner is also authorized "to examine any copartnership, corporation or association", domestic or foreign, "holding as much as twenty-five per cent of the capital stock of any bank or trust company doing business in Kansas: Provided, That the bank commissioner may require the deposit of bonds of the United States, state of Kansas, or of some county, school district or municipality of the state of Kansas, with the state treasurer to secure the shareholders' liability on said stock held by it: And provided further, That if any such copartnership, corporation or association shall fail or refuse to secure such shareholders' liability as required of it by the bank commissioner, said copartnership, corporation or association shall have no power to vote its stock at a shareholders' meeting nor can said stock thereafter be represented on the board of directors of said bank or trust company".

KENTUCKY.

There is no law in this State limiting the power of cor-

(Kentucky - continued)

porations to hold bank stock unless it be Section 567 of Carroll's Kentucky Statutes, which read as follows:

"Nor shall any corporation directly or indirectly, engage in or carry on in any way the business of banking, or insurance of any kind, unless it has become organized under the laws relating to banking and insurance * * *".

A double liability is imposed upon stockholders of banks for all contracts and liabilities of such banks by Section 595 of Carroll's Kentucky Statutes.

LOUISIANA.

There are no laws in this State dealing specifically with this subject. Although subdivision II (e) of Section 12, (P. 417), Act No. 250 of the 1928 Acts of the Louisiana Regular Session, permits corporations "to acquire * * * and to hold, * * * shares * * * of any other corporation, domestic or foreign", it is not clear whether this subdivision is an authorization to holding corporations to acquire or hold shares of banking institutions in view of certain other subdivisions of Section 12, namely, I and II, Sections 1 (P. 409) and 2 (P. 411) of the aforesaid 1928 Acts and Sections 1 (P. 1196) and 5 (P. 1203) of Volume 2 of the 1920 Constitution and Statutes of Louisiana.

MICHIGAN.

There do not appear to be any laws in this State specifically authorizing a holding corporation to purchase or own bank stocks; but Section 10 of Act No. 327 of the 1931 Public Acts authorizes corporations in general "to guarantee, purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of, the shares of the capital stock of, or any bonds, securities or evidence of indebtedness created

(Michigan -- continued)

by, any other corporation or corporations of this state or any other state, country, nation or government, and while the owner of the same, to exercise all the rights, powers and privileges of ownership including the right to vote thereon if such right be an incident of the same: * * *

Section 9968 of the 1929 Compiled Laws of Michigan also provides that a corporation "shall have power in furtherance of the objects of its existence, to purchase and hold shares of stock or memberships of its own or other corporations organized under the laws of this or any other state (jurisdiction or sovereignty)"; and section 9969 of these laws provides that "when any such corporation shall be a stockholder in any other corporation, as in this subdivision provided, its president and other officers or any of its directors shall be eligible to the office of director of such corporation, the same as if they were individually stockholders therein, and the corporation holding such stock shall possess and exercise in respect thereof, all the rights, powers, privileges and liabilities of individual owners or holders of such stock".

MINNESOTA.

There do not appear to be any laws in this State dealing specifically with this subject. With reference to the liability of a stockholder in a corporation, Section 1 of chapter 210 of an act approved April 18, 1931 (Mason's Minnesota Statutes, 1931 Supplement, Section 7465-1) provides that "except as provided by Section 7465, Mason's Minnesota Statutes of 1927, no stockholder or member of any corporation or of any cooperative corporation or association, however or whenever organized, except a stockholder in a banking or trust

(Minnesota - continued)

corporation or association, shall be liable for any debt of said corporation, cooperative corporation or association". Section 7465 of Mason's Minnesota Statutes of 1927 to which the act of April 18, 1931, refers, provides that "Every stockholder shall be personally liable for corporate debts in the following cases: 1. For all unpaid installments on stock owned by him or transferred for the purpose of defrauding creditors. 2. For failure by the corporation to comply substantially with the provisions as to organization and publicity. 3. For personally violating any of such provisions in the transaction of any corporate business as officer, director, or member, and for fraudulent or dishonest conduct in the discharge of any official duty*.

MISSOURI.

There do not appear to be any laws in this State relating specifically to this subject, although trust companies may purchase or hold stock in other banks or trust companies. (Paragraph 9, Section 5429 of the 1929 Revised Statutes of Missouri.)

NEVADA.

There does not appear to be any statute in this State relating directly to the subject of this digest; but the General Corporation Law (Comp. Laws of 1929, Sec. 1608, as amended by the Laws of 1931, Ch. 224, sec. 6) provides that every corporation shall have power "to guarantee, purchase, hold, sell, assign, transfer, mortgage,

(Nevada - continued)

-11-

X-7258

pledge or otherwise dispose of the shares of the capital stock of
 * * * any other corporation or corporations of this state, or any
 other state or government * * *."

NEW JERSEY.

There does not appear to be any statute in this State prohibiting absolutely the ownership of bank stock by holding corporations. However, section 3 of Chapter 273 of the 1928 laws prohibits corporations that own more than ten per cent of the stock of any bank or trust company in the State from purchasing after the date the statute became effective more than ten per cent of the stock of any other bank or trust company doing business in the State. This statute does not require corporations to dispose of any bank stock that they may have owned before the law became effective and certain institutions (enumerated in Section 14 of the laws above referred to) are specifically exempted by Section 3 from its provisions. Section 3 reads as follows:

"3. Any corporation, other than corporations specifically exempted from the provisions of this act, which now or hereafter owns more than ten per centum of the number of shares of the capital stock now or hereafter at any time issued and outstanding of any bank or trust company or national bank, now or hereafter doing business in this State, shall not purchase more than ten per centum of the number of shares of capital stock at any time issued and outstanding of any other bank or trust company or national bank, now or hereafter doing business in this State."

-12-

(New Jersey - continued)

Section 14, which enumerates the specifically exempted institutions referred to in Section 3, reads as follows:

"14. The provisions of this Act and the penalties thereof shall not apply to the following corporations, viz.: Banks and trust companies organized under the laws of this State and national banks doing business in this State, nor to such banks, Trust companies and national banks while acting in a fiduciary capacity representing any individual or individuals or the estate of any individual; nor to any other corporation the entire capital stock of which is owned by or held in trust for the shareholders of any bank or trust company organized under the laws of this State or any national bank doing business in this State, in the same relative proportion as the stock held in said bank, trust company or national bank."

Under the laws of New Jersey, stockholders of New Jersey banks and trust companies are not subject to a double liability, as are stockholders of national banks and of banks and trust companies in other States; nor do these laws impose such a liability upon stockholders of holding corporations.

NEW MEXICO.

There apparently are no laws in this State dealing specifically with the subject of this digest; but Section 32-301 of the 1929 Annotated Statutes of New Mexico authorizes corporations in general to "purchase, hold, * * * the capital stock of, * * * any other corporation or corporations, of this or any other territory or state * * * ", and no limitation is placed upon the amount of such stock that may be so purchased or held.

-13-

NORTH DAKOTA.

There do not appear to be any statutes in this State expressly authorizing or forbidding a holding corporation to purchase or own bank stock; but section 21 of Chapter 96 of the 1931 Session Laws, which, among other things, pertains to the transfer of the capital stock of a State bank, recognizes that a stockholder in such a bank may be a corporation as well as a natural person. This section provides that "every person or corporation becoming a shareholder by such transfer shall in proportion to his shares succeed to all rights and liabilities of prior holders of such shares existing by reason of ownership thereof." A double liability is also imposed upon stockholders in banks by section 22 of these laws.

OHIO.

There do not appear to be any laws in this State dealing specifically with this subject. Stockholders in banking corporations are subjected to double liabilities for debts of the bank (General Code of Ohio, Section 710-75).

OKLAHOMA.

There do not appear to be any laws in this State dealing specifically with this subject and it may be that holding corporations may purchase and hold stock in banking institutions.

Section 9725 of the 1931 Oklahoma statutes provides that "All corporations organized for any of the purposes authorized by this section shall have the power to own and hold stock of other corporations, except as prohibited by the Constitution of this State".

Section 41, Article 9 of the Constitution of Oklahoma, forbids corporations to own or hold stock in other competitive corporations engaged in the same kind of business and banks or trust companies to own or hold stock in other banks or trust companies, except in those cases where such corporations or banks or trust companies have acquired such stock to secure or satisfy a bona fide indebtedness, and in such cases the stock must be disposed of within twelve months.

Section 12802 of the 1931 Oklahoma Statutes makes it unlawful for corporations to combine to place the control of corporations in the hands of a trustee or a holding corporation, if the intent and purpose of such combination is to restrict or restrain trade.

In view of the above quoted provision of Section 9725 of the 1931 Oklahoma Statutes, and since neither the prohibitions of the Constitution referred to therein, nor the provisions

Oklahoma, continued

of Section 12802 of the 1931 Oklahoma Statutes appear to be specifically applicable, in that the Constitution prohibits only banks or trust companies from owning or holding stock in other banks or trust companies and does not purport to prohibit corporations in general from owning or holding stock in other corporations, if the latter are not engaged in the same kind of business as, and do not compete with, the purchasing corporations, and Section 12802 of the statutes only affects combinations in restraint of trade, it may be that holding corporations may purchase and hold stock in banking institutions.

OREGON.

Under the provisions of an Act of this State approved March 9, 1929 (Chapter 444, General Laws of Oregon, 1929; Oregon Code, 1930, sec. 25-502) any corporation "now or hereafter organized in this state, or licensed to do business herein" may own, hold or control the stock of any bank or trust company and while so owning, holding or controlling such stock the corporation is subject to the following restrictions:

(1) It shall not borrow money or otherwise secure credit directly or indirectly, from such bank or trust company, unless the loan or credit is adequately secured by collateral other than stock or evidences of indebtedness of any corporation which it controls.

Oregon, continued

(2) It shall not sell any stock, securities or other evidences of indebtedness of any other corporation which it controls, to or through the bank or trust company in which it owns or holds stock; nor can it use such bank or trust company as an agent for the purpose of selling or otherwise disposing of such stock, securities or other evidences of indebtedness without first obtaining permission from the Oregon Corporation Commissioner.

(3) It shall not carry as an asset any expenses incident to organization or to the sale of stock after organization.

Penalties are prescribed for violations of this act by corporations or their officers or employees, and all corporations heretofore organized under the laws of Oregon or licensed to do business therein must bring themselves within the provisions of this act within six months after the date it became effective.

There is no provision in this act imposing upon the stockholders of corporations owning or holding stock in banks or trust companies the liability imposed upon the stockholders of such banks or trust companies.

PENNSYLVANIA.

There do not appear to be any provisions in the statutes of this State specifically covering the purchase or ownership of stock in institutions engaged in a banking business. However, under Section 1 of an Act of July 2, 1901 (P. L. 603, as amended by an Act of April 18, 1929), and Section XX of paragraph 5598 of West's 1920 Pennsylvania Statute Law, it might be held

Pennsylvania, continued.

that corporations are authorized to exercise this power.

Section 1 of an Act of July 2, 1901 (P. L. 603, as amended by an Act of April 18, 1929), provides that " * * * any corporation created by general or special laws, may purchase, hold, * * * the shares of the capital stock of * * * any other corporation or corporations of this or any other State, and while the owner of said stock may exercise all the rights, powers and privileges of ownership, * * * . "

Section XX of paragraph 5598 of West's 1920 Pennsylvania Statute Law provides that a corporation may be formed "For any lawful purpose not specifically designated by law, as the purpose for which a corporation may be formed."

There does not appear to be any statute in this State expressly providing that stockholders of corporations owning stock in banks are subject to a stockholders' liability similar to the liability imposed upon stockholders of banks. Section 1184 of the Pennsylvania Statutes imposes a double liability upon stockholders of banks and it has been held that stockholders of trust companies are not subject to a double liability. (See cases of DeHaven v. Pratt, (1909), 72 Atl. 1068, 223 Penn. 633, and Gordon, Secretary of Banking v. Winneberger, (1932) 16 District and County 506).

TENNESSEE.

There do not appear to be any provisions in the statutes of this State directly covering the purchase or ownership of stock in banking institutions by holding corporations; but section 4084 of the new Code of Tennessee, which became effective January 1, 1932, provides that "All private corporations for profit organized under the laws of Tennessee for the transaction of any lawful business, or to promote or conduct any legitimate object or purpose, shall have the right, power, privilege, and immunity to purchase, hold, own, sell, transfer, assign, vote, mortgage, pledge, and otherwise deal in stocks, bonds, or evidence of indebtedness of other corporations in the same manner and with all the rights, powers, privileges, and immunities of individual owners, except that this statute shall in no way be construed to give corporations power to create unlawful monopolies, trusts, or combinations in restraint of trade".

TEXAS.

There do not appear to be any statutes in this State dealing specifically with this subject; and, in view of the following, it is not clear whether or not holding corporations may purchase and hold stock in banking institutions.

Article 513 of the 1925 Revised Statutes forbids banks or trust companies "to own more than ten per cent of the capital stock of any other banking corporation, * * *" unless the ownership

Texas, continued

of such excess stock "shall be necessary to prevent loss upon a debt previously contracted in good faith; * * * ", and in such cases the stock must not be owned for a longer period than six months.

Article 1302 of the 1925 Revised Statutes permits private corporations to "purchase, * * * hold, own, * * * shares of capital stock, * * * of foreign or domestic corporations not competing with each other in the same line of business; provided the powers and authority * * * conferred shall in no way affect any provision of the anti-trust laws of this State".

Article 7426 of the 1925 Revised Statutes defines a trust to be "a combination of capital, * * * by two or more persons, firms, corporations, * * * : To create, or which may tend to create, or carry out restrictions in trade or commerce * * * or to create or carry out restrictions in the free pursuit of any business authorized or permitted by laws of this State" or "To prevent or lessen competition in aids to commerce, * * * . "

Article 7427 of the 1925 Revised Statutes states that a monopoly exists when two or more corporations combine or consolidate to bring the "direction of the affairs" of such corporations "under the same management or control for

Texas, continued

the purpose of producing, or where such common management or control tends to create a trust", or where "any corporation acquires the shares * * * of stock * * * of any other corporation or corporations, for the purpose of preventing or lessening, or where the effect of such acquisition tends to affect or lessen competition, whether such acquisition is accomplished directly or through the instrumentality of trustees or otherwise".

UTAH.

There do not appear to be any laws in this State dealing specifically with this subject and it may be that holding corporations are authorized to purchase and own bank stocks under the authority granted to corporations in general by Section 869 of the 1917 Compiled Laws. This section provides that "the corporation * * * shall have power to * * * buy, use, mortgage, sell, or otherwise dispose of personal property * * *".

VERMONT.

There are no laws in this State expressly prohibiting the ownership by holding companies of the stock of banks but there is a provision prohibiting holding companies from holding or acquiring stock in other corporations. Section 4925 of the 1917 General Laws of Vermont contains this prohibition and reads as follows:

Vermont, continued

"The corporation shall not be permitted to acquire or hold stock in other corporations to such an extent that its primary business is the holding of such stock. A violation of this provision shall be cause for the dissolution of the corporation under the provisions of Section 4944."

There are no laws in this State imposing upon stockholders or holding companies a stockholders' liability similar to that imposed upon holders of bank stock.

WASHINGTON.

There do not appear to be any provisions in the laws of this State expressly authorizing the purchase or ownership of bank stocks by holding corporations; but section 3810 of Remington's 1922 Compiled Statutes provides that "any corporation heretofore or hereafter organized under the laws of this state or of any other state or territory of the United States and doing business in this state shall have power and authority to subscribe for, acquire by purchase or otherwise and to own, hold, sell, assign and transfer shares of the capital stock of any other corporation * * *."

During the 1929 Regular Session of the Legislature of this State, a bill known as "Substitute House Bill No. 72" was introduced to restrict the ownership of bank or trust company stock by corporations, to twenty per cent of the capital stock of such bank or trust company; but this bill did not pass.

WEST VIRGINIA.

Under date of February 28, 1929, an Act was passed by the Legislature of this State affecting the purchase or ownership of stock in banking institutions by firms, associations or corporations. (Section 9, Chapter 23, Acts of 1929). Section 9 of this Act provides in part as follows:

"It shall be unlawful for any firm, association or corporation to purchase and hold stock in any banking institution organized or authorized to transact business hereunder for the purpose of selling, negotiating or trading participation in the ownership thereof either for the purpose of perfecting control of one or more such banking institutions or for the purpose of inducing other persons, firms or corporations or the general public to become participating owners therein. Nothing herein shall prevent the ownership of stocks in any such banking institution by any corporation for investment purposes."

With reference to the liability imposed upon stockholders in banks, Section 9 provides as follows:

"Each stockholder of any banking institution organized under the laws of this state, in addition to the liability imposed upon him as stockholder of a corporation under the provisions of the general corporation laws shall be liable to the creditors of the banking institution, on obligations accruing while he is a shareholder, to an amount equal to the par value of the shares of stock held by him."

WISCONSIN.

In 1929 legislation was enacted in this State regulating the ownership of stock in banks and trust companies. (Chapter 445, Wisconsin Laws of 1929 - Published, August 30, 1929). Relevant provisions of this act are summarized briefly as follows:

No corporation organized under the laws of Wisconsin is permitted to hold more than ten per cent of the stock of any bank or trust company, unless seventy-five per cent of the stockholders of both corporations vote in favor thereof at a meeting especially

Wisconsin, continued.

called for that purpose.

No State bank or trust company may vote to authorize a foreign corporation to purchase stock in such State bank or trust company, unless such foreign corporation shall have qualified to do business in Wisconsin.

Whenever the ownership or control of a majority of the stock of any State or national bank doing business in Wisconsin is held by any foreign corporation which has not qualified to do business in the State, such bank shall be disqualified to act as a depository for any public funds of the State or any subdivision thereof, or as a depository for reserve funds of State banks until such foreign corporation shall have qualified to do business in the State.

Domestic corporations and foreign corporations authorized to do business in the State which own or control the stock of a State bank or trust company shall be held liable for any assessment made against the stockholders of such bank or trust company to the par value of the stock so owned or controlled; and such holding corporations are required to deposit with the State Treasurer securities equal to fifty per cent of the par value of the stocks of State banks or trust companies owned or controlled by such holding companies, except that the aggregate amount of such securities shall not exceed the largest amount required to be deposited by Wisconsin trust companies.

If the stockholders' liability of any such holding company is not fully paid, the stockholders of such holding company are liable for an assessment sufficient to cover the deficit.