

2021 Kansas Statutes

9-1112. Unlawful transactions. (a) No bank or trust company shall buy, sell or trade tangible property as a business or invest in the stock of another bank or corporation, except as specifically authorized.

(b) Unless prior approval of the commissioner is granted, no bank or trust company shall sell, give or purchase any instrument, contract, security or other asset or asset dividend to or from:

- (1) Any employee or to an employee's related interest;
- (2) any director or to a director's related interest;
- (3) the parent company; or
- (4) a subsidiary of the parent company.

This paragraph shall not apply to assignment of loans and related security agreements to or from a subsidiary of the bank's parent company.

(c) No bank shall acquire or make a loan on the bank's own shares of stock, or the stock of the bank's parent company or a subsidiary of the bank's parent company, except as otherwise specifically authorized.

(d) No bank shall give any preference to any depositor either by pledging any of the bank's assets as collateral security or in any other manner, except:

- (1) As provided under the provisions of K.S.A. 9-1603, and amendments thereto; and
- (2) the deposit of public moneys and funds in the custody of the federal court or any of the court's officers may be secured as elsewhere provided in the state banking code or as required by the federal court.

History: L. 1947, ch. 102, § 41; L. 1975, ch. 44, § 18; L. 1981, ch. 52, § 1; L. 1985, ch. 56, § 3; L. 1988, ch. 61, § 3; L. 1990, ch. 59, § 1; L. 1993, ch. 31, § 3; L. 2001, ch. 36, § 1; L. 2015, ch. 38, § 51; L. 2016, ch. 54, § 25; July 1.