

section to be known as Section 55A and to follow immediately after Section 55 of said Article, providing that banking institutions shall not be permitted to have affiliates or closely allied corporations.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That a new section be and it is hereby added to Article 11 of the Annotated Code of Maryland (1924 Edition), title "Banks and Trust Companies," sub-title "General Regulations," said new section to be known as Section 55A, to follow immediately after Section 55 of said Article, and to read as follows:

55A. It shall be unlawful for any banking institution doing business under this Article to have any affiliate, affiliates or closely allied corporation or corporations.

The terms "affiliate" and "closely allied corporation" as used in this section shall be construed to include any corporation, business, trust, association, or other similar organization which a banking institution controls by one of the following methods:

(1) Owns or controls, directly or indirectly, either a majority of the voting shares or more than 50 per centum of the number of shares voted for the election of its directors, trustees, or other persons exercising similar functions at the preceding election, or controls in any manner the election of a majority of its directors, trustees or other persons exercising similar functions; or

(2) Controls, directly or indirectly, through stock ownership or in any other manner, by the shareholders of such banking institution who own or control either a majority of the shares of such banking institution or more than 50 per centum of the number of shares voted for the election of directors of such banking institution at the preceding election, or by trustees for the benefit of the shareholders of any such banking institution.

Provided, however, that nothing in this Act shall affect or disturb any such affiliate or closely allied corporation existing at the time of the passage of this Act, and provided further that a Banking Institution, for re-organization purposes and with the consent of the Bank Commissioner may create and have an affiliate or closely allied corporation.

The Bank Commissioner shall have the same rights and powers to examine into the affairs of all existing affiliates and closely allied banking institutions as he has as to banking institutions whenever he shall deem such exam-