

17:14A-1 to 17:14A-97

LEGISLATIVE HISTORY CHECKLIST

NJSA: 17:14A-1 to 17:14A-97 (Safe deposit companies-regulate)

LAWS OF: 1983 **CHAPTER:** 566

Bill No: A2007

Sponsor(s): Kern

Date Introduced: October 25, 1982

Committee: Assembly: Banking and Insurance

Senate: Labor, Industry and Professions

Amended during passage: Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly: February 14, 1983

Senate: January 9, 1984

Date of Approval: January 17, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No



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ASSEMBLY, No. 2007

STATE OF NEW JERSEY

INTRODUCED OCTOBER 25, 1982

By Assemblyman KERN

AN ACT concerning safe deposit companies, revising parts of the statutory law and enacting chapter 14A of Title 17 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

TITLE 17

CHAPTER 14A

SAFE DEPOSIT COMPANIES

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- 2 17:14A-2. Applicability of chapter.
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- 18 17:14A-14. Commissioner's decision.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendments adopted January 31, 1983.

**—Senate committee amendments adopted December 8, 1983.

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- 27 17:14A-20. Review of refusal to issue certificate of authority.
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- 1 17:14A-1. Definitions.
- 2 As used in this chapter:
- 3 a. "Commissioner" means the Commissioner of Banking of New
 4 Jersey;
- 5 b. "Department" means the Department of Banking of New
 6 Jersey;
- 7 c. "Safe Deposit Company" means a corporation organized for

8 the purpose of keeping, maintaining and renting for hire safe
9 deposit boxes for the safekeeping of personal property;

10 d. "Safe deposit box" means a ****[vault, safe deposit box or**
11 **other]**** receptacle for the safekeeping of personal property;

12 c. "Lessor" means a safe deposit company***[.]****;

13 **f. "Safe" means a ****[vault, place or receptacle for the storage**
14 **of one or more safe deposit boxes.]***** ****a place for the storage**
15 **and safekeeping of personal property;*****

16 *****g. "Vault" means a room or compartment that is designed**
17 **for the storage and safekeeping of personal property, including**
18 **safes and safe deposit boxes and having a size and shape which**
19 **permits entrance and movement within by one or more persons.*****

20 Source: New.

1 17:14A-2. Applicability of chapter.

2 This chapter shall apply to all corporations organized prior to
3 and after the effective date of this chapter.

4 Source: R. S. 17:14-1.

1 17:14A-3. Carrying on safe deposit business.

2 A corporation organized under any law other than this chapter
3 shall not be authorized to carry on a safe deposit business, but this
4 section shall not apply to ***[banks and savings banks organized**
5 **under]** ****[banking institutions as defined in* the "Banking Act**
6 **of 1948," P. L. 1948, c. 67 (C. 17:9A-1 et seq.)*[, and Savings and**
7 **Loan]**** associations ***[organized under]** ***as defined in* the**
8 **"Savings and Loan Act (1963)," P. L. 1963, c. 144 (C. 17:12B-1**
9 **et seq.)*, and national banks having their principal offices in this**
10 **State and credit unions]** ****State or federally chartered banks,**
11 **savings banks, savings and loan associations or credit unions**.********

12 Source: R. S. 17:14-1.

1 17:14A-4. Use of words "safe deposit".

2 A corporation organized under any law other than this chapter
3 shall not use the words "safe deposit" as part of its name.

4 Source: R. S. 17:14-1.

1 17:14A-5. Reservation of power.

2 This chapter may be supplemented, altered, amended or repealed
3 by the Legislature, and every corporation to which this chapter
4 applies shall be bound thereby.

5 Source: New.

1 17:14A-6. Incorporators.

2 Any five or more persons who are residents of this State, here-
3 inafter referred to as incorporators, may associate to form a
4 corporation for the purposes of a safe deposit company upon the
5 terms and conditions set forth in this chapter.

6 Source: R. S. 17:14-1.

1 17:14A-7. Certificate of incorporation.

2 The incorporators shall personally sign and prove or acknowledge
3 as is required for deeds of real estate, a certificate of incorporation,
4 which shall state:

5 a. The name of the corporation, which shall contain the words
6 "safe deposit", and the name of the corporation shall not be one
7 already in use by another corporation nor so similar thereto as to
8 deceive the public or lead to uncertainty or confusion;

9 b. The street, street number, if any, and the municipality in this
10 State where its business is to be carried on;

11 c. Its purposes and objects;

12 d. The amount of its capital stock, which shall not be less than
13 \$200,000.00 and shall be divided into shares having a par value of
14 **[\$100.00 each]** ****not less than \$2.00 per share*** and be fully
14A subscribed for in the certificate;

15 e. The name, residence (including street and number, if any)
16 post office address and occupation of each incorporator;

17 f. The number of shares subscribed for by each incorporator;

18 g. The period, if any, limited for the duration of the company;
19 and

20 h. The certificate may contain any provisions, consistent with
21 the provisions of this chapter, which the incorporators may choose
22 to insert for the regulation of its business, the conduct of its affairs,
23 or for the defining, limiting and regulating the powers of its
24 directors.

25 Source: R. S. 17:14-2.

1 17:14A-8. Original bylaws.

2 The original bylaws of the corporation shall be adopted by the
3 incorporators.

4 Source: New.

1 17:14A-9. Application to commissioner for approval; notice of
2 hearing.

3 The certificate of incorporation and the bylaws shall be submitted
4 to the commissioner for his approval. Within 10 days thereafter,
5 the commissioner shall give written notice to each incorporator, of
6 the time and place designated by him for a hearing, by mailing the
7 notice to each incorporator at the post-office address stated in the
8 certificate of incorporation. The time designated for the hearing
9 shall be not less than six weeks nor more than eight weeks after
10 the date after receipt by the commissioner of the application.

11 Source: New.

1 17:14A-10. Publishing notice of application and hearing by in-
2 corporators.

3 The incorporators shall give public notice of the application and
 4 of the time and place designated by the commissioner for the hear-
 5 ing thereon, by publishing it prior to the time of hearing at least
 6 once a week for four weeks in at least one newspaper published
 7 and circulating in the municipality where the principal office of the
 8 safe deposit company will be located. If there is no newspaper
 9 published in the municipality, the notice shall be published in a
 10 newspaper having a general circulation in the municipality.

11 The notice shall also state the proposed name of the company, the
 12 name of the municipality where the principal office of the company
 13 will be located, the names and addresses, both residence and post
 14 office, of the incorporators, and the aggregate amount which they
 15 have agreed to invest in the company before it commences business.
 16 Source: New.

1 17:14A-11. Mailing copy of notice to other companies; request
 2 to commissioner to furnish names.

3 The incorporators shall also mail or cause to be mailed, at least
 4 three weeks prior to the time designated for the hearing, a copy
 5 of the notice to all safe deposit companies having principal or
 6 branch offices within the county where the principal office of the
 7 proposed company is to be located.

8 The commissioner shall, upon the request of the incorporators,
 9 furnish a written list showing the names and street addresses of all
 10 safe deposit companies to which the notice ****[must]**** ****shall****
 11 be sent.

12 Source: New.

1 17:14A-12. Hearing; examination or investigation by commis-
 2 sioner.

3 At the hearing on the application to approve the certificate of
 4 incorporation or at any adjournment granted by the commissioner,
 5 anyone desiring to be heard shall be given the opportunity to be
 6 heard. The commissioner shall also make an independent examina-
 7 tion or investigation of the application as the circumstances shall
 8 require. **The commissioner may, in writing, waive a hearing on
 9 the application to approve the certificate of incorporation.**

10 Source: New.

1 17:14A-13. Commissioner's findings.

2 The commissioner shall approve the application and issue a
 3 certificate of approval which shall be endorsed upon or annexed
 4 to the certificate of incorporation if he finds that:

- 5 a. The establishment of the company is in the public interest;
- 6 and
- 7 b. Will be of benefit to the area proposed to be served; and

8 c. ******[May be established without undue injury to any other safe
 9 deposit company in tthe area in which it is proposed to locate the
 10 company]****** ***The amount of the capital stock appears adequate*
 10A *or if he deems it inadequate the amount of capital stock or other*
 10B *form of capital investment he deems appropriate***; and

11 d. The company will have a reasonable prospect of success; and

12 e. The character, responsibility and general fitness of the in-
 13 corporators command confidence and warrant belief that the
 14 business of the company will be honestly and efficiently conducted;
 15 and

16 f. The name proposed for the company conforms with the re-
 17 quirements of this chapter and that the proposed bylaws are
 18 proper; and

19 g. The company has filed proofs as to the mailing of notice and
 20 publication required by the chapter.

21 Source: New.

1 17:14A-14. Commissioner's decision.

2 Within 30 days after the close of the hearing, the commissioner
 3 shall announce his decision upon such application and file in his
 4 office, a written memorandum stating the reasons therefor which
 5 shall be open to public inspection; and he shall forthwith thereafter
 6 give written notice thereof to the incorporators.

7 Source: New.

1 17:14A-15. Filing certificate of incorporation; certificate as
 2 evidence.

3 If the application is approved by the commissioner, he shall en-
 4 dorse upon or annex to the certificate of incorporation a certificate
 5 of approval and the certificate of incorporation shall be filed in the
 6 department. The certificate or a copy thereof duly certified by the
 7 commissioner shall be evidence in all courts and places.

8 Source: New.

1 17:14A-16. Beginning of corporate existence; transaction of
 2 business.

3 Upon the filing of the certificate of incorporation as provided in
 4 R. S. 17:14A-15, the subscribers to the certificate, their successors
 5 and assigns, shall be a corporation by the name stated in the
 6 certificate, subject to the provisions of this chapter, but a safe
 7 deposit company shall not transact any business whatsoever, except
 8 that relating to its organization, until it has received a certificate
 9 of authority from the commissioner to transact business as herein-
 10 after provided.

11 Source: New.

1 17:14A-17. Payment of capital; filing proof with commissioner.

2 The full amount of capital shall be paid in, in cash, before a safe
3 deposit company transacts any business, except that which relates
4 to its organization. The payment shall be certified to the com-
5 missioner under oath of two of its officers.

6 Source: R. S. 17:14-3.

1 17:14A-18. Certificate of authority to transact business.

2 The commissioner shall issue a certificate of authority to a safe
3 deposit company in which it shall be stated that the safe deposit
4 company therein named has complied with the provisions of this
5 chapter and is authorized to begin the transaction of business
6 specified in the certificate of incorporation when he shall have
7 verified by examination that:

8 a. The certificate of incorporation has been filed as provided in
9 R. S. 17:14A-15;

10 b. The entire capital stock as stated in the certificate of in-
11 corporation has been fully paid in cash, unconditionally and without
12 reservation;

13 c. The cash paid in or the capital stock is on deposit in a banking
14 institution in this State, without offset, claim or demand whatso-
15 ever, and subject to withdrawal upon demand; and

16 d. Proof to the satisfaction of the commissioner that the proposed
17 officers of the safe deposit company who will have control or super-
18 vision of the company's operations possess the qualifications,
19 experience and character required for the duties and responsi-
20 bilities with which they will be charged.

21 A copy of the certificate of authority shall be filed in the depart-
22 ment.

23 Source: New.

1 17:14A-19. Time within which to issue certificate or notify
2 company of refusal.

3 The commissioner shall, within 30 days after receipt of the com-
4 pany's certificate of incorporation and the verified certificate
5 certifying as to the payment of capital, issue the certificate of au-
6 thority to transact business or notify the safe deposit company in
7 writing of his reasons for refusing it.

8 Source: New.

1 17:14A-20. Review of refusal to issue certificate of authority.

2 The commissioner's failure to issue the certificate of authority or
3 to notify the company in writing of his reasons for refusal to issue
4 the certificate of authority within the time specified in R. S.
5 17:14A-19 shall be subject to review***[**, hearing and relief in the
6 Superior Court, in a proceeding in lieu of prerogative writ]**]*** **by*
7 *appeal to the Appellate Division of the Superior Court**.

8 Source: New.

1 17:14A-21. Dissolution for failure to obtain certificate of author-
2 ity or commence business.

3 If a safe deposit company shall fail to obtain a certificate of
4 authority within six months from the date of the commissioner's
5 approval of its certificate of incorporation or within the extended
6 time hereinafter provided, or if the safe deposit company shall
7 fail to commence business within six months after the issuance of
8 the certificate of authority or within the extended time hereinafter
9 provided, the commissioner may make an order, to be filed in the
10 department, forfeiting the safe deposit company's rights, powers
11 and privileges as a corporation, and upon the filing of the order
12 the corporate rights, powers and privileges of the safe deposit
13 company shall cease. The commissioner may, upon good cause
14 shown, extend the time to obtain a certificate of authority or
15 commence business. The extension or extensions shall be for a
16 period or periods as the commissioner may specify, not exceeding
17 12 months in all, and shall be evidenced by a certificate or certifi-
18 cates of the commissioner filed in the department.

19 Source: New.

1 17:14A-22. Tolling of time to obtain certificate of authority or
2 commence business.

3 If proceedings are instituted to review the commissioner's
4 approval of an application to file a certificate of incorporation or to
5 review the commissioner's failure to issue a certificate of author-
6 ity, the period from the date of the commissioner's approval or
7 failure to issue a certificate of authority to the entry of the final
8 judgment in the proceedings shall not be considered in computing
9 any 12 months' period limited in R. S. 17:14A-21.

10 Source: New.

1 17:14A-23. Powers.

2 In addition to the powers conferred by Title 14A of the New
3 Jersey Statutes, Corporations, General, so far as they are not
3A inconsistent with the provisions of this chapter, a safe deposit
4 company may, as lessor, lease vaults, safe deposit boxes and other
5 receptacles for the storage and safe keeping of personal property
6 upon terms and conditions as may be prescribed by the safe
7 deposit company with the lessees of the vaults, safe deposit boxes
8 and other receptacles, but a safe deposit company shall not make
9 any loans or advances upon any property left with it for storage
10 nor have the power to transact the business of a bank, savings bank
11 or savings and loan association **or any other business except that*
12 *of a safe deposit company*.*

13 Source: R. S. 17:14-5.

1 17:14A-24. Directors; number; election; term.

2 The affairs of a safe deposit company shall be managed by a
3 board of at least five directors elected by the stockholders of the
4 company at each annual meeting. The persons receiving the
5 greatest number of votes shall be the directors. The directors
6 shall hold office for one year and until their successors are elected
7 and qualified.

8 Source: R. S. 17:14-6.

1 17:14A-25. Directors; voting rights of stockholders.

2 At a meeting of stockholders for the election of directors, a
3 stockholder shall be entitled to one vote for each share of stock
4 owned. A stockholder may vote by a proxy in writing signed by
5 him.

6 Source: R. S. 17:14-6.

1 17:14A-26. Directors; oath.

2 Each director shall, following his election and before the assump-
3 tion of any duties as a director, take an oath that he will, so far
4 as the duty devolves upon him, diligently and honestly administer
5 the affairs of the safe deposit company, and that he will not know-
6 ingly violate or knowingly permit to be violated any provision of
7 this chapter. The oath subscribed by the director and certified by
8 the officer before whom it is taken shall be transmitted to and
9 filed in the office of the commissioner.

10 Source: New.

1 17:14A-27. Bonding of directors, officers and employees.

2 Every safe deposit company shall, at its own expense, cause
3 to be bonded, by a surety company or companies authorized to
4-6 transact business in New Jersey, each director, all officers and
7 employees of the company in an amount as shall be approved by
8 the board of directors. The bonds may be individual bonds or may
9 be one or more blanket bonds. The board of directors shall
10 annually examine all the bonds, shall pass upon their sufficiency
11 and may require a new bond or bonds or increases in the amounts
12 thereof. The commissioner may from time to time order an increase
13 in the amounts of the bonds. A bond shall not be deemed to comply
14 with this section unless the bond contains a provision that it shall
15 not be cancellable for any cause unless notice of intention to
16 cancel is filed in the office of the commissioner at least five days
17 before the day upon which cancellation is to take effect.

18 Source: New.

1 17:14A-28. Bonding of directors, officers and employees; waiver.

2 If a safe deposit company is unable to obtain the bond or bonds
3 required by R. S. 17:14A-27, the commissioner may, in his discre-

4 tion, waive the requirements of R. S. 17:14A-27 for a period of one
 5 year, upon terms as he may deem appropriate, that the company
 6 is adequately capitalized and that a waiver will not otherwise
 7 endanger the financial condition of the company.

8 Source: New.

1 17:14A-29. Branch offices; capital requirements; location.

2 A safe deposit company ***[having capital of at least \$200,000.00]***
 3 may, pursuant to a resolution of its board of directors **and by*
 4 *an amendment to its certificate of incorporation to increase its*
 5 *capital stock in an amount of at least \$100,000.00 for each branch*
 6 *office to be established and maintained**, establish and maintain a
 7 branch office or **[officers]** **offices** as hereinafter provided.

8 Source: New.

1 17:14A-30. Branch offices; application, approval.

2 Before a branch office shall be established, the safe deposit
 3 company shall file a **[written]** **written** application in the depart-
 4 ment for the commissioner's approval. The commissioner shall,
 5 within 90 days after the filing of the application, approve the
 6 application if he finds, after investigation or hearings or both, that:
 7 a. The safe deposit company has complied with R. S. 17:14A-29;
 8 b. The interests of the public will be served to advantage by the
 9 establishment of the branch office; and
 10 c. The conditions in the locality in which the proposed
 11 ***branch*** is to be established afford reasonable promise of suc-
 12 cessful operation.

13 Source: New.

1 17:14A-31. Branch offices; failure to open and operate.

2 The failure of a safe deposit company to open and operate a
 3 branch office within six months after the commissioner approves
 4 the application therefor shall automatically terminate the right of
 5 safe deposit company to open the branch office, and it shall make no
 6 further application to establish a branch office at the location, or in
 7 the area which would be served by a safe deposit company doing
 8 business at the location, until after the expiration of one year from
 9 the date of such approval; except that, for good cause shown, the
 10 commissioner may, in his discretion, on application of the safe
 11 deposit company made before the expiration of the six months
 12 period, extend for additional periods, not in excess of six months
 13 each, the time within which the branch office may be opened.

14 Source: New.

1 17:14A-32. Branch offices; discontinuance.

2 By resolution of its board of directors, a safe deposit company
 3 may discontinue a branch office. Upon adoption of the resolution,

16 offices of the merging companies and the surviving company which
 17 will be continued as branch offices of the surviving company;

18 g. The effective date of the merger;

19 h. The amount of capital stock, the number of shares into which
 20 it will be divided, the par value of each share, which the surviving
 21 company will have after the merger is affected;

22 i. The manner and basis of converting the shares of each
 23 merging company into shares, other securities, or obligations of
 24 the surviving company, or into cash or other consideration which
 25 may include shares or other securities or obligations of a corpora-
 26 tion not a party to the merger, or into any combinations thereof;

27 j. A statement of any amendments in the certificate of incorpora-
 28 tion of the surviving company to be effected by the merger; and

29 k. Any other provisions, not inconsistent with this chapter, which
 30 may be necessary or appropriate to effect the merger.

31 Source: New.

1 17:14A-37. Consolidation.

2 Any two or more safe deposit companies**[, all of which have
 3 principal offices in the same county,]** may, with the approval of
 4 the commissioner, consolidate into a new company as hereinafter
 5 provided.

6 Source: New.

1 17:14A-38. Consolidation plan; authorization.

2 The boards of directors of each safe deposit company proposing
 3 to consolidate into a new company shall authorize the execution of
 4 a plan of consolidation which shall contain:

5 a. The names of the safe deposit companies proposing to con-
 6 solidate;

7 b. The name of the new company into which the safe deposit
 8 companies propose to consolidate, which is hereinafter designated
 9 as the new company;

10 c. The location of the principal office of the new company;

11 d. The names of the persons who will be directors of the new
 12 company;

13 e. The names of the persons who will be officers of the new com-
 14 pany;

15 f. The effective date of the consolidation;

16 g. The amount of capital stock, the number of shares into which
 17 it will be divided, the par value of each share, which the new com-
 18 pany will have after the consolidation is effective;

19 h. The manner and basis of converting the shares of each com-
 20 pany into shares, other securities or obligations of the new com-
 21 pany, or into cash or other consideration which may include shares

4 the safe deposit company shall file a certificate in the department
 5 specifying the location of the branch office to be discontinued, and
 6 the date upon which the discontinuance shall be effective.

7 Source: New.

1 17:14A-33. Change of principal or branch office; application.

2 A safe deposit company may change the location of its principal
 3 office or of a branch office to a location by filing an application in
 4 the department.

5 Source: New.

1 17:14A-34. Change of principal or branch office; approval.

2 The commissioner shall approve the application for a change of
 3 location of the principal office of a safe deposit company or a branch
 4 office if it shall appear from the application or from any investiga-
 5 tion he may make that the area to be served by the office after its
 6 change in location would not be substantially different from the
 7 area previously served by the office.

8 Source: New.

1 17:14A-35. Merger.

2 Any ***[two or more]*** safe deposit ***[companies, banks, savings**
 3 **banks or savings and loan associations]*** **company** may, with the
 4 approval of the commissioner, merge ***[into one of the companies]***
 5 **with any other safe deposit company, bank, savings bank or*
 6 *savings and loan association subject to any applicable law relating*
 7 *to the merger of banks, savings banks or savings and loan asso-*
 8 *ciations** as hereinafter provided. **In a merger with a bank,*
 9 *savings bank or savings and loan association, the surviving com-*
 10 *pany shall be a bank, savings bank or savings and loan association.**

11 Source: New.

1 17:14A-36. Merger agreement; authorization.

2 The boards of directors of each company proposing to merge
 3 shall authorize the execution of a merger agreement which shall
 4 contain:

5 a. The names of the safe deposit companies proposing to merge
 6 and the location of the principal office and branch offices of the
 7 merging company;

8 b. The name of the company into which they propose to merge,
 9 which is hereinafter designated as the surviving company;

10 c. The location of the principal office of the surviving company;

11 d. The names of the persons who will be the directors of the sur-
 12 viving company;

13 e. The names of the persons who will be the officers of the sur-
 14 viving company;

15 f. The locations then occupied by the principal offices, branch

22 or other securities or obligations of a corporation not a party to
23 the consolidation, or any combination thereof;

24 i. With respect to the new corporation, all of the statements
25 required to be set forth in the certificate of incorporation for
26 companies organized under this chapter, except it will not be
27 necessary to set forth the names and addresses of each incorpo-
28 rator; and

29 j. Any other provisions, not inconsistent with this chapter, which
30 may be necessary or appropriate to effect the consolidation.

31 Source: New.

1 17:14A-39. Approval or disapproval of merger agreement or
2 consolidation plan by commissioner.

3 The merger agreement or consolidation plan, executed by all the
4 parties thereto, shall be submitted to the commissioner who shall,
5 within 60 days from the date of submission, endorse thereon his
6 approval or disapproval. If the commissioner shall disapprove the
7 agreement or plan, he shall forthwith file a memorandum in the
8 department stating the reasons for his disapproval, and shall mail
9 a copy of the memorandum to each of the companies which is a
10 party to the merger agreement or consolidation plan. The commis-
11 sioner shall not withhold his approval unless he shall find that the
12 merger agreement or consolidation plan contains provisions which
13 do not conform to this chapter, or that the merger or consolidation
14 will not be in the public interest.

15 Source: New.

1 17:14A-40. Review of commissioner's disapproval of merger
2 agreement or consolidation plan.

3 The commissioner's disapproval of a merger agreement or con-
4 solidation plan, as provided in R. S. 17:14A-39, shall be subject to
5 review ***[in the Superior Court in a proceeding in lieu of preroga-**
6 **tive writ]*** **by appeal to the Appellate Division of the Superior*
7 *Court*.*

8 Source: New.

1 17:14A-41. Submission of merger agreement or consolidation
2 plan to stockholders.

3 If the commissioner approves the merger agreement or consolida-
4 tion plan, or if the merger agreement or consolidation plan is
5 approved after review ***[of the Superior Court]*** as provided in
6 R. S. 17:14A-40, it shall, within 180 days after the date of approval,
7 be submitted to the stockholders of each of the companies which are
8 parties to the agreement or plan, at separate meetings called for
9 that purpose upon at least 20 days' notice prior to the meeting, by
10 mail, postage prepaid, addressed to each stockholder at his address

11 as it appears on the books of the company. The notice shall specify
12 the place, day and the hour of the meeting and the nature of the
13 business to be transacted. A copy of the merger agreement or con-
14 solidation plan shall be mailed to each stockholder of each company,
15 together with the notice of the meeting.

16 Source: New.

1 17:14A-42. Approval by stockholders; filing agreement or plan.

2 If the merger agreement or consolidation plan is approved by
3 the affirmative vote of $\frac{2}{3}$ of the stockholders of each company, that
4 fact shall be certified as to each company by its president or a vice
5 president and the certifications shall be attached to the merger
6 agreement or consolidation plan and filed in the department at
7 which time it shall become effective.

8 Source: New.

1 17:14A-43. Merger agreement or consolidation plan as evidence.

2 A copy of the merger agreement or consolidation plan, certified
3 by the commissioner, shall be evidence in all courts and places.

4 Source: New.

1 17:14A-44. Recording copy of merger agreement or consolida-
2 tion plan with county recording officer.

3 A copy of the merger agreement or consolidation plan, certified
4 by the commissioner, may be recorded in the office of the county
5 recording officer charged with the duty of recording instruments
6 affecting title to real property in the county, and the record shall
7 have the same effect as if duly executed and acknowledged deeds
8 to real property and assignments of mortgages affecting real or
9 personal property owned by the merging or consolidating com-
10 panies had been made and delivered by the merging companies to
11 the surviving company and the consolidating companies to the new
12 company, and had been duly recorded.

13 Source: New.

1 17:14A-45. Effect of merger or consolidation.

2 Upon the merger or consolidation of two or more safe deposit
3 companies:

4 a. The parties to the merger agreement or plan of consolidation
5 shall be a single company, which, in the case of a merger, shall be
6 the corporation designated in the merger agreement as the surviv-
7 ing company, and in the case of a consolidation, shall be the new
8 company provided for in the consolidation plan;

9 b. The separate existence of all parties to the merger agreement
10 or consolidation plan, except the surviving company or new com-
11 pany, shall cease;

12 c. The surviving or new company shall, to the extent consistent

13 with its certificate of incorporation as amended or established by
14 the merger or consolidation, possess all the rights, privileges,
15 powers, immunities, purposes and franchises, both public and
16 private, of each of the merging or consolidating companies;

17 d. All real property and personal property, tangible and in-
18 tangible, of every kind and description, belonging to each of the
19 companies so merged or consolidated shall be vested in the surviv-
20 ing or new company without further act or deed, and the title to any
21 real estate, or any interest therein, vested in any of the companies
22 shall not revert or be in any way impaired by reason of the merger
23 or consolidation;

24 e. The surviving or new ***[corporation]*** **company** shall be
25 liable for all the obligations and liabilities of each of the companies
26 so merged or consolidated, and any claim existing or action or
27 proceeding pending by or against any of the companies may be
28 enforced as if the merger or consolidation had not taken place and
29 neither the rights of creditors nor any liens upon, or security
30 interests in, the property of any of the companies shall be impaired
31 by the merger or consolidation;

32 f. In the case of a merger, the certificate of incorporation of the
33 surviving company shall, without further act or deed, be amended to
34 the extent, if any, stated in the plan of merger, and, in the case of a
35 consolidation, the statements set forth in the certificate of con-
36 solidation and which are required or permitted to be set forth in
37 the certificate of incorporation of companies organized under this
38 chapter shall be the certificate of incorporation of the new com-
39 pany; and

40 g. The directors named in the merger agreement or consolidation
41 plan shall be the directors of the surviving company or new com-
42 pany and shall serve until the time new directors are elected at the
43 annual meeting of stockholders following the effective date of the
44 merger or consolidation.

45 **Source:** New.

1 17:14A-46. Merger or consolidation; issuance of new stock
2 certificates.

3 A surviving company or the new company resulting from a
4 merger or consolidation shall require each stockholder of a com-
5 pany participating in a merger or consolidation to surrender his
6 certificates of capital stock of each participating company, and shall
7 upon the surrender thereof, issue or deliver in lieu thereof, certifi-
8 cates for the number of its own shares of capital stock, or other
9 securities or obligations of the surviving company or new company,
10 or cash or other consideration including shares or other securities

11 or obligations of a corporation not a party to the merger or con-
 12 solidation, as the stockholder is entitled to receive pursuant to the
 13 terms of the merger agreement or consolidation plan.

14 Source: New.

1 17:14A-47. Liability of stockholders.

2 The holders of shares of capital stock of a safe deposit company
 3 shall not be liable, by reason of their owning the stock, for any
 4 debts, contracts or obligations of the safe deposit company.

5 Source: New.

1 17:14A-48. Language in rental agreement.

2 An agreement for the rental of vaults, safe deposit boxes, and
 3 other receptacles for the storage and safekeeping of personal prop-
 4 erty shall be written in simple, clear, understandable and easily
 5 readable language as provided in P. L. 1980, c. 125 (C. 56:12-1
 6 et seq.).

7 Source: New.

1 17:14A-49. Notice to lessee as to insurance and contents of
 2 ***[valuts]* *vaults***, etc.

3 An agreement for the rental vaults, safe deposit boxes or other
 4 receptacles for the storage and safekeeping of personal property
 5 shall contain language in bold face type substantially as follows:

Important Notice

6 The contents of your vault, safe deposit box or storage receptable
 7 ***[may]* *are*** not ***[be fully]*** protected against loss ***[under the**
 8 insurance coverage maintained]* by the lessor ***unless specifically*
 9 *indicated in this notice***, and for your protection you may wish
 10 to secure your own insurance for protection against loss with an
 10A insurance company of your own choice.

11 You should keep a complete list and description of all your prop-
 12 erty stored in your vault, safe deposit box or storage receptacle and
 13 any available proof of ownership.

14 A copy of the notice shall be posted in the principal office of the
 15 company and in each branch office ***and shall be given to each*
 16 *lessee before tthe lessee enters into an agreement for the rental*
 17 *of a vault, safe deposit box or other receptacle for the storage and*
 18 *safekeeping of personal property***.

19 Source: New.

1 17:14A-50. Books and records.

2 A safe deposit company shall keep and maintain all books and
 3 records required by law and in addition thereto shall keep and
 4 maintain all books and records as may be required under rules and
 5 regulations promulgated by the commissioner pursuant to P. L.
 6 1958, c. 66 (C. 17:1-8.1 et seq.)*, and a list setting forth the names

7 *and addresses of all lessees, together with the numbers of their*
8 *respective safe deposit boxes*.*

9 Source: New.

1 17:14A-51. Proceedings for unpaid rental.

2 If the amount due for the rental of any vault, safe deposit box
3 or receptacle for the storage and safekeeping of personal property
4 of any safe deposit company or bank, savings bank, or savings and
5 loan association authorized to conduct a safe deposit business
6 under the laws of this State has not been paid for one year, the safe
7 deposit company, bank, savings bank, savings and loan association
8 may at any time after the expiration of the year send a written
9 notice by registered mail addressed to the lessee or lessees in whose
10 name the vault, safe deposit or receptacle stands on its records,
11 directed to the address on its records, that if the rental for the
12 vault, safe deposit box or receptacle is not paid within 30 days after
13 the date of the mailing of the notice, it will have the vault, safe
14 deposit box or receptacle opened in the presence of one of its
15 officers and of a notary public not in its employ, and the contents
16 thereof, if any, placed in a sealed package by the notary public,
17 marked by him with the name of the lessee or lessees in whose
18 name the vault, safe deposit box or receptacle stands and the esti-
19 mated value thereof, and the package so sealed and marked will be
20 placed in one of the general vaults, safes or boxes of the safe
21 deposit company, bank, savings bank or savings and loan associa-
22 tion. The notary's proceedings shall be set forth in a certificate
23 under his official seal, and the certificate shall be delivered to the
24 ****[safe deposit company]**** ****savings and loan association****,
25 bank, savings bank or safe deposit company. The safe deposit
26 company, bank, savings bank or savings and loan association shall
27 have a lien on the contents of the vault, safe deposit box or recep-
28 tacle so removed for the amount due to it for the rental of the
29 vault, safe deposit box ****or receptacle**** up to the time of the
29A removal of the contents, and for the costs and expenses, if any
30 incurred in its opening, repairing and restoration for use. If the
31 lien is not paid and discharged within one year from the opening
32 of the vault, safe deposit box or receptacle and the removal of its
33 contents, the safe deposit company, bank, savings bank or savings
34 and loan association may sell the contents at public auction, or so
35 much thereof as is required, to pay and discharge the lien and
36 expenses of sale. A notice of the date, time and place of the sale
37 shall be advertised in a newspaper having a general circulation in
38 the county within which the principal office of the safe deposit com-
39 pany, bank, savings bank or savings and loan association is located,

40 at least once a week for two successive weeks prior to the sale.
 41 The safe deposit company, bank, savings bank or savings and loan
 42 association may retain from the proceeds of sale the amount due
 43 to it for its lien and the expenses of sale. The balance of the pro-
 44 ceeds of the sale and the unsold contents, if any, shall be held to be
 45 paid and delivered to the lessee or owner of the contents of the
 46 vault, safe deposit box or receptacle so sold. ******[If the balance of
 47 the proceeds of sale and unsold contents, if any, shall remain un-
 48 claimed by the lessee or owner *****[for a period of five years, it shall
 49 be presumed abandoned]***** as provided in the "Uniform Unclaimed
 50 Property Act (1981)," *****[R. S. 46:30A-1 et seq., and]***** *P. L. . . . ,*
 51 *c. . . . (now pending before the Legislature as Senate No. 1821 of*
 52 *1982 and Assembly No. 1933 of 1982) it* shall be **presumed to be*
 53 *abandoned and shall be** disposed of as provided therein.******

54 ***If after commencement and completion of an action by the*
 55 *State of New Jersey to escheat any balance of the proceeds of sale*
 56 *or unsold contents, any balance of the proceeds of sale or unsold*
 57 *contents not taken by the State of New Jersey in the action may*
 58 *thereafter be abandoned or destroyed by the safe deposit company,*
 59 *bank, savings bank or savings and loan association holding the*
 60 *balance of the proceeds of sale or unsold contents, and the safe*
 61 *deposit company, bank, savings bank or savings and loan associa-*
 62 *tion shall be released and discharged from all claims, demands or*
 63 *liability to any person with respect to any unpaid balance of pro-*
 64 *ceeds of sale or unsold contents not so taken by the State of New*
 65 *Jersey.***

66 Source: R. S. 17:14-7 amended 1958, c. 44******[; 19. . . , c. . . . ,
 67 s. . . .]******.

1 17:14A-52. Accessibility to vault, safe deposit box or receptacle.

2 The right of access to a vault, safe deposit box or receptacle
 3 rented to a lessee by a safe deposit company shall be governed by
 4 the rental agreement *****[and]***** **,* the provisions of P. L. 1955,*
 5 *c. 151 (C. 46:39-1 et seq.)*, R. S. 54:35-19 and R. S. 54:35-20*.*

6 Source: New.

1 17:14A-53. Control of safe deposit company.

2 It shall be unlawful for any person or company, except with the
 3 approval of the commissioner, to acquire control of a safe deposit
 4 company incorporated under this chapter.

5 Source: New.

1 17:14A-54. Control of safe deposit company; "control" defined.

2 As used in R. S. 17:14A-53, "control" means the possession,
 3 directly or indirectly, of the power to direct or cause the direction
 4 of the management and policies of a safe deposit company, whether

5 by means of the ownership of the stock or equity interests of the
 6 safe deposit company by means of a contractual arrangement, or
 7 otherwise. Control shall be presumed to exist if any person or
 8 company, directly or indirectly, owns, controls or holds with
 9 power to vote 10% or more of the stock of the safe deposit company
 10 or of any company which owns, controls or holds with power to
 11 vote 10% or more of the stock of the safe deposit company, but
 12 ***[no]** **a** person shall **not** be deemed **to control** a safe deposit
 13 company solely by reason of his being an officer or director of the
 14 safe deposit company.

15 Source: New.

1 17:14A-55. Control of safe deposit company; "company"
 2 defined.

3 As used in R. S. 17:14A-53, "company" means a corporation,
 4 joint stock company, business trust, investment trust, general or
 5 limited partnership, voting trust, association, and any similar
 6 organized group of persons, whether incorporated or not, and
 7 whether or not organized or incorporated under the laws of this
 8 State or any other state or any territory or possession of the United
 9 States or under the laws of a foreign country, territory, colony or
 10 possession thereof.

11 Source: New.

1 17:14A-56. Control of safe deposit company; application to
 2 commissioner.

3 A person or company seeking to acquire control of a safe deposit
 4 company shall file a written application therefor with the commis-
 5 sioner which shall be in **such** form and contain **such** information
 6 as the commissioner may require.

7 Source: New.

1 17:14A-57.. Control of safe deposit company; investigation by
 2 commissioner.

3 After the filing of the application as provided in R. S. 17:14A-56,
 4 the commissioner shall conduct an investigation to determine
 5 whether:

6 a. The acquisition of control of the safe deposit company is not
 7 contrary to law;

8 b. The acquisition of control of the safe deposit company is in the
 9 best interest of the public;

10 c. The character, responsibility and general fitness of the person
 11 or company seeking to acquire control of the safe deposit company
 12 are such as to command confidence and warrant belief that the
 13 business of the safe deposit company will be honestly and efficiently
 14 conducted in a manner consistent with the public interest, the
 15 interests of lessees and creditors of the safe deposit company; and

16 d. The exercise of control of the safe deposit company may im-
 17 pair the safe and sound conduct of the business of the safe deposit
 18 company, the conservation of its assets or public confidence in its
 19 business.

20 Source: New.

1 17:14A-58. Control of safe deposit company; approval or dis-
 2 approval of application.

3 The commissioner shall notify the applicant in writing of his
 4 approval or disapproval of the application to acquire control within
 5 90 days after its filing unless he shall advise the applicant in writ-
 6 ing before the expiration of the 90-day period of his determination
 7 to extend the period for an additional 90 days. If the commissioner
 8 shall disapprove the application, he shall set forth his reasons
 9 therefor in the notification to the application.

10 Source: New.

1 17:14A-59. Control of safe deposit company; review of commis-
 2 sioner's disapproval.

3 The commissioner's disapproval of an application to acquire
 4 control of a safe deposit company shall be subject to review **by*
 5 *appeal** in the **Appellate Division of the** Superior Court **[by an*
 6 *action in lieu of prerogative writ]**.

7 Source: New.

1 17:14A-60. Communications received from the commissioner.

2 Every official communication directed to and received by a safe
 3 deposit company or any of its officers or directors shall be sub-
 4 mitted to the board of directors at the board's next meeting follow-
 5 ing receipt and noted in the minutes of the meeting.

6 Source: New.

1 17:14A-61. Examination of safe deposit company affairs; by
 2 whom made.

3 The board of directors of a safe deposit company shall have an
 4 examination of the company's affairs made, from time to time, by
 5 or under the supervision of a person who ***[is not a director, officer*
 6 *or employee of the company,]*** is a certified public accountant, a
 7 public accountant or a person whose qualifications for making the
 8 examination have been approved by the commissioner. A person
 9 who is an officer, director or employee of the company or who was
 10 an officer, director or employee of the company within a period of
 11 13 months preceding the commencement of the examination shall
 12 not participate in any examination required by this section.

13 Source: New.

1 17:14A-62. Examination of safe deposit company affairs; scope.

2 The scope of examinations made as required by R. S. 17:14A-61

3 shall be as determined by regulations of the commissioner or, in
4 the absence of regulations, by the board of directors of the
5 company.

6 Source: New.

1 17:14A-63. Examination of safe deposit company affairs; when
2 made.

3 An examination pursuant to R. S. 17:14A-61 shall be made at
4 least once in each calendar year and shall be commenced not less
5 than six months and not more than 15 months following the com-
6 mencement of the preceding examination made pursuant to R. S.
7 17:14A-61, but an examination shall not be commenced when an
8 examination is being made pursuant to R. S. 17:14A-70. The board
9 of directors may, whenever it deems it advisable, ****[to]**** have ex-
10 aminations made of the company's affairs other than as required
11 by this section.

12 Source: New.

1 17:14A-64. Examination of safe deposit company affairs; report;
2 statement by directors; filing.

3 Within 60 days after completion of an examination made pur-
4 suant to ***[R. S. 17:14A-60]*** **R. S. 17:14A-61**, a report thereof,
5 in a form prescribed by the commissioner, certified by the person
6 by whom and under whose supervision the examination was made,
7 shall be presented to the directors at a meeting of the board. The
8 board of directors **shall** have a statement prepared setting forth
9 in detail the assets ***and their values, liabilities and net worth***
10 of the company ****[and their values]****. Within the time specified
11 in this section, the directors shall file a copy of the statement and
12 a certified copy of the report with the commissioner.

13 Source: New.

1 17:14A-65. Examination of safe deposit company affairs; cur-
2 tailment or extension of time by commissioner.

3 The commissioner shall have power, for good cause shown, to
4 curtail the six-month period, and to extend the 15-month period
5 specified in R. S. 17:14A-63 for a period not exceeding one month
6 in either case, and to extend the 60-day period specified in R. S.
7 17:14A-64 for a period not exceeding 30 days. An extension or
8 curtailment shall not be allowed by the commissioner which will
9 result in the lapse of a calendar year without the commencement
10 of an examination pursuant to R. S. 17:14A-63.

11 Source: New.

1 17:14A-66. Reports to commissioner as to assets and liabilities.

2 A safe deposit company shall make and file with the commis-
3 sioner, ****[not less than two]**** ***[reports]*** ****[*copies of the**

4 *report***,]** in the form prescribed by the commissioner**, *periodic*
 5 *reports as the commissioner may from time to time request*** set-
 6 ting forth in detail and under appropriate heads the assets and
 7 liabilities of the company at the close of business on any day speci-
 8 fied by the commissioner. The report shall be filed by the company
 9 within 10 days after receipt of the request. The report shall be
 10 attested by at least three directors who are not officers of the com-
 11 pany, and shall be verified by the oaths of at least two officers of
 12 the company. The commissioner may extend the time within which
 13 the report shall be filed for not more than 10 days.

14 Source: New.

1 17:14A-67. Special reports as to condition of company.

2 The commissioner shall have the power to call for special reports
 3 from a safe deposit company when, in his judgment, a special
 4 report is necessary to obtain a full and complete knowledge as to
 5 the company's condition. The special report shall be filed with the
 6 commissioner within 10 days after receipt of the request.

7 Source: New.

1 17:14A-68. Penalty for failure to make and file report.

2 A safe deposit company which fails to make and file a report
 3 as required pursuant to R. S. 17:14A-66 and R. S. 17:14A-67 shall
 4 be subject to a penalty of \$100.00 for each day during which the
 5 failure continues, to be recovered by the State in a civil action
 6 prosecuted by the Attorney General.

7 Source: New.

1 17:14A-69. Publication of report.

2 A summary of each report filed pursuant to R. S. 17:14A-66, in
 3 a form prescribed by the commissioner, shall be published by the
 4 safe deposit company once in a newspaper having a general cir-
 5 culation in the county in which the company's principal office is
 6 located within two weeks after the report is filed. The cost of
 7 publication shall be paid by the company and a proof of publication
 8 filed with the commissioner. A copy of the report shall be made
 9 available to any person requesting it.

10 Source: New.

1 17:14A-70. Examination of safe deposit companies by com-
 2 missioner.

3 The commissioner shall, whenever and as often as he shall deem
 4 it advisable, cause the affairs of every safe deposit company to be
 5 examined to determine whether the company is conducting its
 6 business in conformity with the laws of this State and its certificate
 7 of incorporation, and with safety to its lessees, creditors and the
 8 public.

9 The officers and employees of every safe deposit company, being
 10 examined shall exhibit to the examiners all its securities, books,
 11 records and accounts and shall otherwise facilitate the examina-
 12 tion so far as it may be in their power.

13 Source: New.

1 17:14A-71. Examination of safe deposit companies by commis-
 2 sioner; examination of witnesses.

3 The commissioner, a deputy commissioner, and every examiner
 4 assigned by the commissioner or by a deputy commissioner to
 5 examine the affairs of a company may administer an oath to any
 6 person whose testimony is required for the purposes of the exam-
 7 ination. The commissioner or deputy commissioner may compel
 8 the appearance of any person for the purposes of examination, by
 9 subpena ad testificandum and the production of books, papers,
 10 documents or records by subpena duces tecum.

11 Source: New.

1 **17:14A-71.1. *Examinations confidential.*

2 *Every report and copy of a report of examination of a safe de-*
 3 *posit company made by or under the supervision of the commis-*
 4 *sioner shall be confidential and shall not be made public by any*
 5 *officer, director or employee of a safe deposit company.*

6 Source: New.

1 17:14A-71.2. *Examinations confidential; evidence; subpoenas.*

2 *Every report and copy of a report of examination of a safe de-*
 3 *posit company made by or under the supervision of the commis-*
 4 *sioner shall not be subject to subpoena or to admission into evidence*
 5 *in any court, except pursuant to an order of the court made upon*
 6 *notice of the commissioner affording the commissioner an oppor-*
 7 *tunity to advise the court of reasons for excluding the report or*
 8 *any portion thereof from evidence. The court shall order the is-*
 9 *suance of a subpoena for the production of or the admission into*
 10 *evidence of a report or portion thereof only after it is satisfied*
 11 *that it is material and relevant to the issues in the proceedings,*
 12 *and the ends of justice and the public interest will be served*
 13 *thereby. This section shall not apply to any action or proceeding*
 14 *instituted by the commissioner or the Attorney General pursuant*
 15 *to any law of this State.*

16 Source: New**

1 17:14A-72. Commissioner's powers on ultra vires, unlawful and
 2 unsafe practices.

3 If the commissioner finds that a safe deposit company is violat-
 4 ing the provisions of its certificate of incorporation, or is conduct-
 5 ing its business in violation of any law of this State, or in an unsafe

6 manner, he shall order the safe deposit company to cease its ultra
7 vires, unlawful or unsafe practices, as the case may be.

8 Source: New.

1 17:14A-73. Review of commissioner's order to cease ultra vires,
2 unlawful or unsafe practices.

3 An order of the commissioner made pursuant to R. S. 17:14A-72
4 shall be subject to review***【**, hearing and relief in the Superior
5 Court by a proceeding in lieu of prerogative writ**】*** *by appeal to*
6 *the Appellate Division of the Superior Court**. The institution of
7 proceedings for review ***【**in the Superior Court**】*** shall suspend
8 the accrual of the penalties provided for by R. S. 17:14A-74 until
9 the final determination of the proceedings.

10 Source: New.

1 17:14A-74. Penalty for failure to comply with commissioner's
2 order as to ultra vires, unlawful and unsafe practices.

3 A safe deposit company which continues to violate the provisions
4 of its certificate of incorporation or which continues to conduct its
5 business in violation of any law of this State, or in an unsafe
6 manner, after having been ordered by the commissioner to cease
7 those practices, shall be liable to a penalty of \$1,000.00 to be
8 recovered with costs by the State in a court of competent juris-
9 diction in a civil action prosecuted by the Attorney-General, and
10 it shall be liable to a like penalty for each day's additional default
11 from and after the time specified in the order. The penalty pro-
12 vided by this section shall be in addition to and not in lieu of any
13 other provision of law applicable upon a safe deposit company's
14 failure to comply with an order of the commissioner.

15 Source: New.

1 17:14A-75. Removal of director or officer.

2 Whenever, in the opinion of the commissioner, any director or
3 officer of a safe deposit company has and continues to violate any
4 law relating to a safe deposit company or has or continues unsafe
5 or unsound practices in conducting the business of the safe deposit
6 company after having been directed by the commissioner to dis-
7 continue the violation of law or the unsafe or unsound practices,
8 the commissioner may cause notice to be served upon the director
9 or officer to appear and show cause before him why he should not
10 be removed from office. A copy of a notice so served shall be sent to
11 each of the other directors of the safe deposit company by regis-
12 tered mail. If, after granting the director or officer a reasonable
13 opportunity to be heard, the commissioner finds that he has and
14 continues to violate any law relating to the safe deposit company,
15 or has and continues unsafe or unsound practices in conducting the

16 business of the safe deposit company, after having been directed
 17 by the commissioner to discontinue the violation of law or the
 18 unsafe or unsound practices, the commissioner may make an
 19 order removing the director or officer from office. A copy of the
 20 order shall be served upon the director or officer and upon the
 21 safe deposit company of which he is a director or officer. After the
 22 service of the copies of the order, the director or officer shall cease
 23 to be a director or officer of the safe deposit company.

24 Source: New.

1 17:14A-76. Participation in management of company after
 2 removal from office.

3 Any director or officer who, after service upon him of a copy
 4 of the order removing him from office, participates in any manner
 5 in the management of the safe deposit company is guilty of a
 6 disorderly persons offense.

7 Source: New.

1 17:14A-77. Record of proceedings to remove director or officer
 2 not to be made public; exception.

3 No part of the record of any proceedings under R. S. 17:14A-75
 4 shall be made public or disclosed to anyone except the director or
 5 officer involved and the other directors of the safe deposit company
 6 involved, except in connection with proceedings brought pursuant
 7 to R. S. 17:14A-76.

8 Source: New.

1 ***17:14A-77.1. Review of commissioner's order to remove di-*
 2 *rector or officer.*

3 *An order by the commissioner made pursuant to R. S. 17:14A-75*
 4 *shall be subject to review by appeal to the Appellate Division of*
 5 *the Superior Court.*

6 *Source: New.***

1 17:14A-78. Costs of examination of safe deposit company.

2 Every safe deposit company shall pay to the commissioner for
 3 the use of the State the reasonable costs of each examination of
 4 its affairs made pursuant to this chapter. The Attorney General
 5 may prosecute an action in the name of and for the benefit of the
 6 State, in a court of competent jurisdiction, against any safe
 7 deposit company which fails to pay the costs of examination.

8 Source: New.

1 17:14A-79. Filing documents and reports.

2 All documents and reports which are required to be filed by a
 3 corporation pursuant to the provisions of Title 14A, Corporations,
 4 General, of the New Jersey Statutes and which apply to a safe
 5 deposit company shall be filed in the department.

6 Source: New.

1 **17:14A-80. Custodial possession by commissioner; causes.

2 The commissioner shall have the authority to institute an action
3 in the Superior Court to take custodial possession of the property
4 of any safe deposit company:

5 a. Which has filed for bankruptcy or has been adjudicated a
6 bankrupt;

7 b. Which is insolvent or has been placed in receivership;

8 c. Against which any proceedings have been instituted for bank-
9 ruptcy, insolvency, receivership, agreement of composition or as-
10 signment for the benefit of creditors;

11 d. Against which a summary disposses action has been insti-
12 tuted;

13 e. Against which has been issued a judgment, writ of execution,
14 levy or sale;

15 f. Which has violated the provisions of its certificate of incorpo-
16 ration or any law of this State;

17 g. Which has refused to submit its books, papers, records, docu-
18 ments, and things to the inspection of the commissioner or any
19 examiner appointed by him;

20 h. Whose officer or director has refused to be examined upon oath
21 concerning the affairs of the safe deposit company or has refused
22 to answer questions under oath or to produce any books, papers,
23 records, or documents of the safe deposit company in his posses-
24 sion, custody or control;

25 i. Which has suspended its business for want of funds to carry
26 on its business;

27 j. Which is, in the opinion of the commissioner, in an unsafe or
28 unsound condition to transact business.

29 Source: New.

1 17:14A-81. Custodial possession by commissioner; purpose.

2 Possession by the commissioner shall be for the sole purpose of
3 serving as a custodian of the safe deposit company until the lessees
4 of the vaults, safe deposit boxes and other receptacles have re-
5 moved their personal property therefrom after notice from the
6 commissioner or upon removal by the commissioner to a place of
7 safe storage.

8 Source: New.

1 17:14A-82. Custodial possession by commissioner; return of
2 property to management of safe deposit company.

3 If and when the commissioner determines that the cause or
4 causes for his taking custodial possession of a safe deposit com-
5 pany have been removed or remedied, he may return the property

6 of the safe deposit company to the control and management of its
7 officers and directors.

8 *Source: New.*

1 17:14A-83. *Custodial possession by commissioner; corporate
2 title and existence.*

3 *Notwithstanding the taking of custodial possession of the prop-
4 erty of a safe deposit company by the commissioner:*

5 a. *Title to all the property of the safe deposit company, includ-
6 ing property held in fiduciary capacities, shall remain in the safe
7 deposit company;*

8 b. *The corporate existence of the safe deposit company shall
9 continue unless terminated as provided in R. S. 17:14A-80; and*

10 c. *The stockholders and directors of the safe deposit company
11 shall be entitled to meet and the stockholders, directors and officers
12 of the safe deposit company shall be entitled to act upon any matter
13 which does not infringe upon the powers granted to the commis-
14 sioner by R. S. 17:14A-80.*

15 *Source: New.*

1 17:14A-84. *Custodial possession by commissioner; notice to
2 commissioner.*

3 *A safe deposit company shall immediately notify the commis-
4 sioner in writing of any of the actions or proceedings set forth in
5 subsections a. through e. of R. S. 17:14A-80 instituted by or against
6 the safe deposit company.*

7 *Source: New.*

1 17:14A-85. *Custodial possession by commissioner; surety bond.*

2 *A safe deposit company shall file and keep on file with the com-
3 missioner a surety bond obtained from a surety company author-
4 ized to transact business in this State in an amount of not less than
5 \$25,000.00 and in form prescribed by regulation of the commis-
6 sioner. The bond shall be conditioned for payment to the State
7 for the benefit of the Department of Banking of the costs and ex-
8 penses incurred by the commissioner in taking custodial possession
9 of the property of a safe deposit company pursuant to R. S.
10 17:14A-80 in the event the safe deposit company is unable to re-
11 imburse the department for those costs and expenses.*

12 *Source: New.*

1 17:14A-86. *Standards for vaults.*

2 *Vaults shall have walls, floors and ceiling of reinforced concrete
3 at least 12 inches in thickness constructed as follows:*

4 a. *Two grids of #5 (5/8" diameter) deformed steel bars located
5 in horizontal and vertical rows in each direction to form grids not
6 more than four inches on center; or*

7 *b. Two grids of expanded steel bank vault mesh placed parallel*
 8 *to the face of the walls, weighing at least six pounds per square*
 9 *foot to each grid, having a diamond pattern not more than 3" x 8";*
 10 *or*

11 *c. Two grids of any other fabricated steel placed parallel to the*
 12 *face of the walls, weighing at least six pounds per square foot to*
 13 *each grid and having an open area not exceeding four inches on*
 14 *the center;*

15 *d. Grids are to be located not less than six inches apart and*
 16 *stagger in each direction;*

17 *e. The concrete shall develop an ultimate compression strength*
 18 *of at least 3,000 pounds per square inch;*

19 *f. Electric conduits into the vault shall not exceed 1½ inches in*
 20 *diameter and shall be offset within the walls, floor or ceiling so as*
 21 *not to form a direct path of entry; and*

22 *g. A vault ventilator, if provided, shall be designed with con-*
 23 *sideration of safety to life without significant reduction of the*
 24 *strength of the vault wall to burglary attack.*

25 *Source: New.*

1 *17:14A-87. Standards for vault doors.*

2 *Vault doors shall be made of steel at least 3½ inches in thick-*
 3 *ness, or other drill and torch resistant material, and be equipped*
 4 *with a dial combination lock, a time lock, and a substantial lockable*
 5 *day-gate gate.*

6 *Source: New.*

1 *17:14A-88. Standards for safes.*

2 *A safe shall weigh at least 750 pounds empty, or be securely*
 3 *anchored to the premises where located. The body shall consist of*
 4 *steel, at least one inch in thickness, either cast or fabricated, with*
 5 *an ultimate tensile strength of at least 50,000 pounds per square*
 6 *inch and be fastened in a manner equal to a continuous ¼ inch*
 7 *penetration weld having an ultimate tensile strength of at least*
 8 *50,000 pounds per square inch. The door shall be made of steel*
 9 *that is at least 1½ inch in thickness and at least equivalent in*
 10 *strength to that specified for the body, and the door shall be*
 11 *equipped with a combination lock, or time lock, and with a relock-*
 12 *ing device that will effectively lock the door if the combination*
 13 *lock or time lock is punched. One hole not exceeding ½ inch di-*
 14 *ameter may be provided in the body to permit insertion of electrical*
 15 *conductors, but shall be located so as not to permit a direct view*
 16 *of the door or locking mechanism.*

17 *Source: New.*

1 *17:14A-89. Safe deposit box standards.*

2 *A safe deposit box used to store and safeguard a lessee's per-*
 3 *sonal property shall be enclosed in a vault or safe meeting the*
 4 *minimum standards set forth in R. S. 17:14A-86 and R. S.*
 5 *17:14A-87 or R. S. 17:14A-88.*

6 *Source: New.*

1 *17:14A-90. Surveillance systems.*

2 *A surveillance system shall be provided for each office of a safe*
 3 *deposit company which shall:*

4 *a. Be equipped with one or more photographic, recording, moni-*
 5 *toring, or like devices capable of reproducing images of persons*
 6 *in the safe deposit company office with sufficient clarity to facilitate*
 7 *(through photographs capable of being enlarged to produce a one-*
 8 *inch vertical head-size of persons whose images have been repre-*
 9 *duced) the identification and apprehension of robbers or other*
 10 *suspicious persons.*

11 *Any camera used in the system shall be capable of taking at least*
 12 *one picture every two seconds and, if it uses film, should contain*
 13 *enough unexposed film at all times to be capable of operating for*
 14 *not less than three minutes, and the film shall be at least 16mm, and*

15 *(1) Located so as to reproduce identifiable images of persons*
 16 *either leaving the safe deposit company office or in a position to*
 17 *transact business at the office; and*

18 *(2) Capable of actuation by initiating devices located through-*
 19 *out the office;*

20 *b. Be reasonably silent in operation; and*

21 *c. Be so designed and constructed that necessary services, re-*
 22 *pairs or inspections can readily be made.*

23 *Source: New.*

1 *17:14A-91. Robbery alarm systems.*

2 *A robbery alarm system shall be provided for each office of a*
 3 *safe deposit company at which the police ordinarily can arrive*
 4 *within five minutes after an alarm is actuated. Robbery alarm*
 5 *systems shall be:*

6 *a. Designed to transmit to the police, either directly or through*
 7 *an intermediary, a signal (not detectable by unauthorized persons)*
 8 *indicating that a crime against the office has occurred or is in*
 9 *progress;*

10 *b. Capable of actuation by initiating devices located throughout*
 11 *the office;*

12 *c. Safeguarded against accidental transmission of an alarm;*

13 *d. Equipped with a visual and audible signal capable of indicat-*
 14 *ing improper functioning of or tampering with the system; and*

15 *e. Equipped with an independent source of power (such as a*

16 battery) sufficient to assure continuously reliable operation of the
 17 system for at least 24 hours in the event of failure of the usual
 18 source of power.

19 Source: New.

1 17:14A-92. Burglary alarm systems.

2 A burglary alarm system shall be provided for each office of a
 3 safe deposit company. Burglary alarm systems shall be:

4 a. Capable of detecting promptly an attack on the outer door,
 5 walls, floor, or ceiling of each vault, and each safe not stored in a
 6 vault, in which personal property of lessees are stored when the
 7 office is closed, and any attempt to move a safe;

8 b. Designed to transmit to the police, either directly or through
 9 an intermediary, a signal indicating that an attempt is in progress;
 10 and for offices at which the police ordinarily cannot arrive within
 11 five minutes after an alarm is actuated, designed to actuate a loud
 12 sounding bell or other device that is audible inside the office and
 13 for a distance of approximately 500 feet outside the office;

14 c. Safeguarded against accidental transmission of an alarm;

15 d. Equipped with a visual and audible signal capable of indicat-
 16 ing improper functioning of or tampering with the system; and

17 e. Equipped with an independent source of power (such as a
 18 battery) sufficient to assure continuously reliable operation of the
 19 system for at least 80 hours in the event of failure of the usual
 20 source of power.

21 Source: New.

1 17:14A-93. Notice of crime.

2 The board of directors of a safe deposit company shall promptly
 3 notify the commissioner of any crime committed or attempted to
 4 be committed against the safe deposit company by any person
 5 even though the crime or attempted crime has not resulted in a
 6 loss.

7 Source: New.

1 17:14A-94. Rules and regulations.

2 In addition to other powers and duties vested in him by this
 3 chapter or by any other law, the commissioner is authorized and
 4 empowered to make reasonable rules and regulations not incon-
 5 sistent with the provisions of this chapter, and specific rulings,
 6 demands and findings as he may deem necessary for the proper
 7 operation and enforcement of this chapter.

8 The commissioner's authority to make rules and regulations may
 9 include higher or equivalent modifications in the standards for the
 10 construction of vaults, vault doors, safes, safe deposit box stan-
 11 dards, surveillance, robbery and burglary alarm systems when the

TITLE 17. CORPORATIONS AND INSTITUTIONS
FOR FINANCE AND INSURANCE

Treatment of Source Material

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
17:14A-1	New	Definitions
17:14A-2	R. S. 17:14-1	{Revised section derived from }source
17:14A-3	R. S. 17:14-1	{Revised section derived from }source
17:14A-4	R. S. 17:14-1	{Revised section derived from }source
17:14A-5	New	{Reserves power to supple- }ment, alter, amend or repeal }chapter
17:14A-6	R. S. 17:14-1	{Revised section derived from }source
17:14A-7	R. S. 17:14-2	Editorial
17:14A-8	New	{Original bylaws to be adopted }by incorporators
17:14A-9	New	{Application to commissioner }for approval
17:14A-10	New	{Public notice of application }and hearing
17:14A-11	New	Mailing notice of hearing
17:14A-12	New	{Hearing and investigation by }commissioner
17:14A-13	New	{Finding by commissioner for }approval
17:14A-14	New	{Prescribes time within which }commissioner must make deci- }sion on application for ap- }proval
17:14A-15	New	{Provides for filing of certifi- }cate of incorporation in the }department
17:14A-16	New	{States when corporate exis- }tence begins
17:14A-17	R. S. 17:14-3	{Revised section derived from }source
17:14A-18	New	{Provides for issuance of cer- }tificate to transact business
17:14A-19	New	{Specifies time within which to }issue certificate to transact }business
17:14A-20	New	{Provides for review to issue }certificate to transact busi- }ness
17:14A-21	New	{Corporation to be dissolved }for failure to obtain certificate }of authority or commence }business

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
17:14A-22	New	{Tolling of time to obtain certificate or commence busi- ness
17:14A-23	R. S. 17:14-5	Editorial
17:14A-24	R. S. 17:14-6	{Revised section derived from source
17:14A-25	R. S. 17:14-6	{Revised section derived from source
17:14A-26	New	Prescribes oath of directors
17:14A-27	New	{Provides bonding of directors, officers and employees
17:14A-28	New	Provides for waiver of bonds
17:14A-29	New	{Establishment of branch offices
17:14A-30	New	{Application to and approval of commissioner to establish branch office
17:14A-31	New	{Effect of failure to open and operate branch office within time.
17:14A-32	New	{Discontinuance of branch office
17:14A-33	New	{Filing application for change of principal or branch office
17:14A-34	New	{Approval by commissioner of change of principal or branch office
17:14A-35	New	{Authorizes merger of safe deposit companies
17:14A-36	New	{Contents of merger agree- ment
17:14A-37	New	{Authorizes consolidation of safe deposit companies
17:14A-38	New	Contents of consolidation plan
17:14A-39	New	{Approval or disapproval of merger agreement or con- solidation plan by commis- sioner
17:14A-40	New	{Review of commissioner's dis- approval of merger agree- ment or consolidation plan
17:14A-41	New	{Submission of merger agree- ment or consolidation plan to stockholders
17:14A-42	New	{Votes required for approval of merger or consolidation
17:14A-43	New	{Copies of merger agreement or consolidation plan as evi- dence

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
17:14A-44	New	{Recording copy of merger agreement or consolidation plan
17:14A-45	New	{Effect of merger or consoli- dation
17:14A-46	New	{Issuance of new stock certifi- cates upon merger or con- solidation
17:14A-47	New	Stockholders' liability
17:14A-48	New	{Provides for plain language in rental agreement
17:14A-49	New	{Provides for notice in rental agreement as to insurance and ownership of property
17:14A-50	New	{Books and records to be main- tained
17:14A-51	R. S. 17:14-7 as am. L. 1958, c. 44; **[L. 19 . . , c. . . ; s. . .]**	Editorial
17:14A-52	New	{Accessibility to vaults, safe deposit boxes or receptacles
17:14A-53	New	{Prohibits acquisition of con- trol of safe deposit company
17:14A-54	New	Defines "control"
17:14A-55	New	Defines "company"
17:14A-56	New	{Filing application to acquire control of safe deposit com- pany
17:14A-57	New	{Investigation by commis- sioner on application
17:14A-58	New	{Time to approve or disap- prove application
17:14A-59	New	{Review of commissioner's dis- approval of application
17:14A-60	New	{Disposition of communica- tions received from commis- sioner
17:14A-61	New	{Directs by whom examination of company affairs shall be made
17:14A-62	New	{Provides for scope of com- pany affairs
17:14A-63	New	{Prescribes times for making examination of company affairs
17:14A-64	New	{Provides for filing copy of report and statement by di- rectors

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
17:14A-65	New	{Authorizes commissioner to curtail or extend periods re- lating to examination of com- pany affairs
17:14A-66	New	{Reports to be filed with com- missioner as to assets and liabilities
17:14A-67	New	{Special reports as to condi- tion of company
17:14A-68	New	{Prescribes penalty for failure to file report
17:14A-69	New	Publishing summary of report
17:14A-70	New	{Authorizes commissioner to examine affairs of safe de- posit companies
17:14A-71	New	{Authorizes examination of witnesses in examining safe deposit company affairs
**17:14A-71.1	New	{Examinations by commis- sioner confidential
17:14A-71.2	New	{Examinations by commis- sioner not subject to subpoena or as evidence except by court order**
17:14A-72	New	{Authorizes commissioner to issue cease and desist orders
17:14A-73	New	{Review of commissioner's cease and desist orders
17:14A-74	New	{Penalty for failure to obey commissioner's cease and desist orders
17:14A-75	New	{Authority to remove director or officer
17:14A-76	New	{Prohibits participation in company management after removal
17:14A-77	New	{Prohibits making removal proceedings public; exception
17:14A-77.1	New	{Review of commissioner's order to remove director or officer
17:14A-78	New	{Cost of examination by com- missioner to be paid by com- pany
17:14A-79	New	{Documents and reports to be filed in department
17:14A-80	New	**[Procedure to dissolve com- pany]** **Causes authoriz- ing commissioner to take cus- todial possession of company property**

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
17:14A-81	New	**[Filing fees]** **Sets forth {purpose for taking custodial {possession of property**
17:14A-82		**[Statutes repealed]** {**Provides for return of {property when cause for cus- {todial possession no longer {exists**
**17:14A-83	New	{Corporate title remains in {company and corporate exist- {ence continues during custo- {dial possession
17:14A-84	New	{Requires company to notify {commissioner of causes for {custodial possession
17:14A-85	New	{Company required to file {surety bond for costs and ex- {penses incurred in taking cus- {todial possession
17:14A-86	New	{Sets forth standards for con- {struction of vaults
17:14A-87	New	{Sets forth standards for con- {struction of vault doors
17:14A-88	New	{Sets forth standards for con- {struction of safes
17:14A-89	New	{Sets forth standards for safe {deposit boxes
17:14A-90	New	{Sets forth standards for sur- {veillance systems
17:14A-91	New	{Sets forth standards for rob- {bery alarm systems
17:14A-92	New	{Sets forth standards for bur- {glary alarm systems
17:14A-93	New	{Requires directors to notify {commissioner of crimes
17:14A-94	New	{Authorizes commissioner to {promulgate rules and regula- {tions
17:14A-95	New	{Procedure to dissolve com- {pany
17:14A-96	New	Filing fees
17:14A-97	New	Statutes repealed**

TITLE 17. CORPORATIONS AND INSTITUTIONS
FOR FINANCE AND INSURANCE

Schedule of Allocations of Source Material

<i>Source Sections</i>	<i>Revised Sections</i>
R. S. 17:14-1	{17:14A-2 17:14A-3 17:14A-4 17:14A-6
R. S. 17:14-2	17:14A-7
R. S. 17:14-3	17:14A-17
R. S. 17:14-4	Not Enacted
R. S. 17:14-5	17:14A-23
R. S. 17:14-6	{17:14A-24 17:14A-25
R. S. 17:14-7 ... As am. L. 1958, c. 44, s. 1**[; ... L. 19 , c. ,	} 17:14A-51 }]**
R. S. 17:14-8	Not Enacted

12	f. For filing an application of the establishment of a	
13	branch office	500.00
14	g. For filing an agreement of merger per company ..	1,500.00
15	h. For filing a plan for consolidation per company ..	1,500.00
16	i. For filing a report required by this chapter or	
17	any other law	25.00
18	j. For filing an affidavit	10.00
19	k. For filing proof of publication and mailing or other	
20	proof required by this chapter or any other law ..	10.00
21	l. For filing application for approval of a change of	
22	principal office or branch office	250.00
23	m. For the issuance of a certified copy of any certifi-	
24	cate of incorporation or agreement of merger or	
25	plan for consolidation or any other certificate or	
26	affidavit	10.00
27		plus \$1.00 per page
28	n. For application for control of safe deposit company	1,000.00
29	o. For filing certificate of dissolution	35.00
30	Source: New.	
1	17:14A-82. Statutes repealed.	
2	The following are repealed:	
3	R. S. 17:14-1 to R. S. 17:14-8 inclusive.	
1	2. This act shall take effect immediately.	

STATEMENT

This bill has been drafted by the Division of Legal Services in furtherance of its duty to conduct a continuous revision of the general and permanent statute law of the State.

The organization of safe deposit companies, as such, was authorized under P. L. 1899, c. 175, and carried over as Chapter 14 of Title 17, Corporations and Institutions for Finance and Insurance, of the Revised Statutes, virtually unchanged and has remained so to the present.

The purpose of this bill is to subject safe deposit companies, because of the nature of their business, to controls by the Commissioner of banking similar to those controls which he exercises over financial institutions. Under the existing law, the commissioner lacks virtually any control over the business or affairs of a safe deposit company.

TITLE 17. CORPORATIONS AND INSTITUTIONS
FOR FINANCE AND INSURANCE

Treatment of Source Material

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
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17:14A-3	R. S. 17:14-1	{Revised section derived from {source
17:14A-4	R. S. 17:14-1	{Revised section derived from {source
17:14A-5	New	{Reserves power to supple- {ment, alter, amend or repeal {chapter
17:14A-6	R. S. 17:14-1	{Revised section derived from {source
17:14A-7	R. S. 17:14-2	Editorial
17:14A-8	New	{Original bylaws to be adopted {by incorporators
17:14A-9	New	{Application to commissioner {for approval
17:14A-10	New	{Public notice of application {and hearing
17:14A-11	New	Mailing notice of hearing
17:14A-12	New	{Hearing and investigation by {commissioner
17:14A-13	New	{Finding by commissioner for {approval
17:14A-14	New	{Prescribes time within which {commissioner must make deci- {sion on application for ap- {proval
17:14A-15	New	{Provides for filing of certifi- {cate of incorporation in the {department
17:14A-16	New	{States when corporate exis- {tence begins
17:14A-17	R. S. 17:14-3	{Revised section derived from {source
17:14A-18	New	{Provides for issuance of cer- {tificate to transact business
17:14A-19	New	{Specifies time within which to {issue certificate to transact {business
17:14A-20	New	{Provides for review to issue {certificate to transact busi- {ness
17:14A-21	New	{Corporation to be dissolved {for failure to obtain certificate {of authority or commence {business

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
17:14A-22	New	{Tolling of time to obtain certificate or commence busi- ness
17:14A-23	R. S. 17:14-5	Editorial
17:14A-24	R. S. 17:14-6	{Revised section derived from source
17:14A-25	R. S. 17:14-6	{Revised section derived from source
17:14A-26	New	Prescribes oath of directors
17:14A-27	New	{Provides bonding of directors, officers and employees
17:14A-28	New	Provides for waiver of bonds
17:14A-29	New	{Establishment of branch offices
17:14A-30	New	{Application to and approval of commissioner to establish branch office
17:14A-31	New	{Effect of failure to open and operate branch office within time.
17:14A-32	New	{Discontinuance of branch office
17:14A-33	New	{Filing application for change of principal or branch office
17:14A-34	New	{Approval by commissioner of change of principal or branch office
17:14A-35	New	{Authorizes merger of safe deposit companies
17:14A-36	New	{Contents of merger agree- ment
17:14A-37	New	{Authorizes consolidation of safe deposit companies
17:14A-38	New	Contents of consolidation plan
17:14A-39	New	{Approval or disapproval of merger agreement or con- solidation plan by commis- sioner
17:14A-40	New	{Review of commissioner's dis- approval of merger agree- ment or consolidation plan
17:14A-41	New	{Submission of merger agree- ment or consolidation plan to stockholders
17:14A-42	New	{Votes required for approval of merger or consolidation
17:14A-43	New	{Copies of merger agreement or consolidation plan as evi- dence

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
17:14A-44	New	{Recording copy of merger agreement or consolidation plan
17:14A-45	New	{Effect of merger or consoli- dation
17:14A-46	New	{Issuance of new stock certifi- cates upon merger or con- solidation
17:14A-47	New	Stockholders' liability
17:14A-48	New	{Provides for plain language in rental agreement
17:14A-49	New	{Provides for notice in rental agreement as to insurance and ownership of property
17:14A-50	New	{Books and records to be main- tained
17:14A-51	R. S. 17:14-7 as am. L. 1958, c. 44; L. 19... , c. ... ; s.	Editorial
17:14A-52	New	{Accessibility to vaults, safe deposit boxes or receptacles
17:14A-53	New	{Prohibits acquisition of con- trol of safe deposit company
17:14A-54	New	Defines "control"
17:14A-55	New	Defines "company"
17:14A-56	New	{Filing application to acquire control of safe deposit com- pany
17:14A-57	New	{Investigation by commis- sioner on application
17:14A-58	New	{Time to approve or disap- prove application
17:14A-59	New	{Review of commissioner's dis- approval of application
17:14A-60	New	{Disposition of communica- tions received from commis- sioner
17:14A-61	New	{Directs by whom examination of company affairs shall be made
17:14A-62	New	{Provides for scope of com- pany affairs
17:14A-63	New	{Prescribes times for making examination of company affairs
17:14A-64	New	{Provides for filing copy of report and statement by di- rectors

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
17:14A-65	New	{Authorizes commissioner to curtail or extend periods re- lating to examination of com- pany affairs
17:14A-66	New	{Reports to be filed with com- missioner as to assets and liabilities
17:14A-67	New	{Special reports as to condi- tion of company
17:14A-68	New	{Prescribes penalty for failure to file report
17:14A-69	New	Publishing summary of report
17:14A-70	New	{Authorizes commissioner to examine affairs of safe de- posit companies
17:14A-71	New	{Authorizes examination of witnesses in examining safe deposit company affairs
17:14A-72	New	{Authorizes commissioner to issue cease and desist orders
17:14A-73	New	{Review of commissioner's cease and desist orders
17:14A-74	New	{Penalty for failure to obey commissioner's cease and desist orders
17:14A-75	New	{Authority to remove director or officer
17:14A-76	New	{Prohibits participation in company management after removal
17:14A-77	New	{Prohibits making removal proceedings public; exception
17:14A-78	New	{Cost of examination by com- missioner to be paid by com- pany
17:14A-79	New	{Documents and reports to be filed in department
17:14A-80	New	{Procedure to dissolve com- pany
17:14A-81	New	Filing fees
17:14A-82		Statutes repealed

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2007

[OFFICIAL COPY REPRINT]

with Senate committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 8, 1983

This bill, as amended, by the Senate Labor, Industry and Professions Committee, revises the current law on the establishment of safe deposit companies and expands the powers of the Commissioner of Banking to regulate these companies.

The bill's provisions include:

1. A capital requirement of \$200,000.00 for a safe deposit company (R. S. 17:14A-7);
2. Authorization of the commissioner to review and approve or disapprove the certificate of incorporation and by-laws of an applicant company (R. S. 17:14A-7 to R. S. 17:14A-15), and to issue or deny thereto, a certificate of authority to transact business (R. S. 17:14A-16 to R. S. 17:14A-20);
3. A requirement that a safe deposit company can only engage in the business of leasing vaults, safe deposit boxes and other receptacles for the storage and safekeeping of personal property of lessees R. S. 17:14A-23);
4. A bonding requirement for directors, officers and employees of the company, unless such requirement is waived by the commissioner under certain circumstances (R. S. 17:14A-27 and R. S. 17:14A-28);
5. A requirement for increased capital of \$100,000.00 for each branch of a safe deposit company (R. S. 17:14A-29);
6. Provisions for the merger or consolidation of safe deposit companies with the approval of the commissioner (R. S. 17:14A-35 to R. S. 17:14A-46). Safe deposit companies may only merge or consolidate with other safe deposit companies, with the exception that they may merge with banks, savings banks or savings and loan associations if the surviving company is a bank, savings bank or savings and loan association.
7. A requirement that a rental agreement for a vault, safe deposit box or other receptacle be written in plain language and that notice be given to the lessee that the contents of the lessees' vault, safe deposit

box or other receptacle are not protected against loss unless otherwise specified in the notice (R. S. 17:14A-48 to R. S. 17:14A-49);

8. Proceedings for unpaid rentals (R. S. 17:14A-51);

9. Authorization of the commissioner to approve or disapprove the acquisition of a controlling interest in a safe deposit company by any person or company (R. S. 17:14A-53 to R. S. 17:14A-59);

10. A requirement for periodic in-house examinations of a safe deposit company's affairs by a certified public accountant, a public accountant or other person approved by the commissioner and for reports to the commissioner thereon (R. S. 17:14A-61 to R. S. 17:14A-65);

11. Authorization to the commissioner to require special reports on a company's financial condition and to conduct an examination of a company's business affairs, at the expense of the company (R. S. 17:14A-66 to R. S. 17:14A-71.2);

12. Authorization to the commissioner to order a safe deposit company to cease its ultra vires, unlawful or unsafe practices; to levy penalties for failure to cease such practices; and to remove a company director or officer who has and continues to violate any law relating to safe deposit companies or who has or continues unsafe or unsound practices in conducting the business after being directed by the commissioner to discontinue such violations or practices (R. S. 17:14A-72 to R. S. 17:14A-77);

13. Causes for which the commissioner may take custodial possession of a safe deposit company's property, purposes for taking such custodial possession of the property, and provisions for return of the property when the cause for custodial possession by the commissioner no longer exists (R. S. 17:14A-80 to R. S. 17:14A-85);

14. Standards for the construction of vaults (R. S. 17:14A-86), for the construction of vault doors (R. S. 17:14A-87), for the construction of safes (R. S. 17:14A-88), for safe deposit boxes (R. S. 17:14A-89), for surveillance systems (R. S. 17:14A-90), for robbery alarm systems (R. S. 17:14A-91), and for burglary alarm systems (R. S. 17:14A-92);

15. A statutory fee schedule (R. S. 17:14A-96); and

16. Repeal of the current law providing for the regulation of security deposit companies (R. S. 17:14A-97).

Safe deposit companies are currently regulated under the provisions of R. S. 17:14-1 et seq. Under this law, the commissioner has limited regulatory authority and a safe deposit company only has to have \$25,000.00 capital.
