

17:9A-28.1

6/11/87

LEGISLATIVE HISTORY CHECKLIST

NJSA: 17:9A-28.1

(Banks-- employment of broker-dealers-- permit)

CHAPTER 24

Laws Of: 1987

Bill No: S2468

Sponsor(s): Lesniak

Date Introduced: September 8, 1986

Committee: Assembly: Financial Institutions

Senate: Labor, Industry and Professions

Amended during passage: No

Date of Passage: Assembly: December 15, 1986

Senate: October 20, 1986

Date of Approval: January 27, 1987

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

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SENATE, No. 2468
STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 8, 1986

By Senator LESNIAK

Referred to Committee on Labor, Industry and Professions

AN ACT concerning qualified banks, and supplementing Title 17 of
the Revised Statutes.

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

1 1. a. Notwithstanding any other provision of law to the contrary,
2 a qualified bank may: (1) employ any broker-dealer which is regis-
3 tered with the federal Securities and Exchange Commission and
4 with the Bureau of Securities in the Division of Consumer Affairs
5 in the Department of Law and Public Safety as a custodian for the
6 qualified bank for any securities held by the qualified bank in its
7 fiduciary capacity; and (2) register the securities in the name of
8 the broker-dealer so employed.

9 b. Any broker-dealer employed pursuant to subsection a. of this
10 section shall have the same power and shall be subject to the same
11 restrictions with respect to the treatment of securities which it holds
12 as custodian as any bank acting as custodian for a qualified bank.
13 Any securities held by a broker-dealer pursuant to this act in which
14 the broker-dealer does not have a lien for indebtedness due to it
15 from an estate or trust may not be pledged, lent, hypothecated, or
16 disposed of except upon specific instruction of the qualified bank
17 acting in its fiduciary capacity.

1 2. This act shall take effect immediately.

STATEMENT

This bill permits qualified banks to employ broker-dealers to act
as custodian for securities held by the bank in its fiduciary capacity.

BANKING AND FINANCIAL INSTITUTIONS

Permits qualified banks to employ broker-dealers.

SENATE, No. 2468

STATE OF NEW JERSEY

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Referred to Committee on Labor, Industry and Professions

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5 in the Department of Law and Public Safety as a custodian for the
6 qualified bank for any securities held by the qualified bank in its
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BANKING AND FINANCIAL INSTITUTIONS

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ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

SENATE, No. 2468

STATE OF NEW JERSEY

DATED: NOVEMBER 10, 1986

This bill, which is identical to Assembly Bill No. 3153, permits qualified banks to employ broker-dealers, which are registered with the federal Securities and Exchange Commission and the Bureau of Securities in the Division of Consumer Affairs, as custodian for the qualified bank for any securities held by the bank in its fiduciary capacity. The bill also allows these securities to be held in the name of the broker-dealer. The committee favorably reports the bill.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO

SENATE, No. 2468

STATE OF NEW JERSEY

DATED: SEPTEMBER 22, 1986

This bill permits a qualified bank (a bank or savings bank with trust powers) to employ a broker-dealer who is registered with the Securities and Exchange Commission and the State Bureau of Securities as custodian for securities held by the bank in its fiduciary capacity and to register these securities in the name of the broker-dealer. The broker-dealer would have the same power and be subject to the same restrictions in regard to these securities held in custody as any bank acting as custodian for a qualified bank. The broker-dealer would be prohibited from pledging, lending, transferring or disposing of these securities held in custody except on specific instruction of the qualified bank or in those cases where the broker-dealer has a lien on the securities for indebtedness due to it from an estate or trust.