

any power and fulfill any duty imposed upon it by any other law of this Commonwealth. Except where otherwise specifically provided, the department shall enforce and administer all laws of this Commonwealth which relate to any institution, and shall exercise such general supervision over institutions as will afford the greatest possible safety to depositors, other creditors, and shareholders thereof, *insure the safe and sound conduct of the business of such institutions, conserve their assets, maintain the public confidence in such institutions and protect the public interest.*

B. Whenever under this act, discretion is vested in the department *or any board thereof* as to whether, or the manner in which, to exercise a power or fulfill a duty, the department *or board* shall, after such examination or investigation as it shall deem appropriate under the circumstances, [take such action as it deems to the best interests of the depositors, other creditors, and shareholders of such institution] *exercise such discretion in such a manner as it shall deem necessary to insure the safe and sound conduct of the business of any institution subject to its supervision, conserve its assets, maintain public confidence in the business of such institutions and protect the public interest and the interest of depositors, other creditors and shareholders thereof.*

Act effective immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 3rd day of July, A. D. 1957.

GEORGE M. LEADER

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No. 260

AN ACT

Amending the act of May 15, 1933 (P. L. 624), entitled, as amended, "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon

the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," further regulating the exercise of powers by the Department of Banking and boards thereof, and further regulating approval of articles of merger or consolidation.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows: Banking Code.

Section 1. The act of May 15, 1933 (P. L. 624), known as the "Banking Code," is amended by adding, after section 13, a new section to read: Act of May 15, 1933, P. L. 624, amended by adding a new section 14.

*Section 14. Exercise of Powers.—Whenever the department or any board thereof is required or authorized by this act to approve or disapprove any action of an institution under its supervision, or to exercise any authority or power conferred upon it by this act in addition to any other standards provided for the exercise of such discretion by this act or any other law, it shall exercise such discretion in such manner as it deems necessary to insure the safe and sound conduct of the business of any institution subject to its supervision, to conserve its assets, to maintain public confidence in the business of such institutions and to protect the public interest and the interests of depositors, other creditors and shareholders thereof.*

Section 2. Subsection A of section 1406 of the act, amended April 22, 1937 (P. L. 349), is amended to read: Subsection A, section 1406, of the act, amended April 22, 1937, P. L. 349, further amended.

Section 1406. Approval of Articles of Merger or Consolidation by Department of Banking.—A. Except as otherwise provided in this act, the Department of Banking shall, immediately upon the receipt from the Department of State of the articles of merger or articles of consolidation, conduct such examination as it may deem necessary to ascertain from the best sources of information at its command:

(1) Whether the name of the surviving or new incorporated institution is likely to mislead the public as to its character or purpose.

(2) Whether the consolidation or merger is made for legitimate purposes.

(3) Whether the interests of the depositors or other creditors, and in the case of a bank, a bank and trust company, or trust company, the shareholders, are adequately protected.

(4) Whether the surviving or new incorporated institution meets all the requirements of this act and violates none of its prohibitions applicable to a bank, bank and trust company, trust company, or a savings bank, as the case may be, incorporated under this act.

(5) Whether, where a national banking association is one of the parties of the merger or consolidation, it has complied with the requirements of the laws of the United States.

(6) *Whether, on the basis of (i) the financial history and condition of the institution or institutions or national banking association or associations involved, (ii) their prospects, (iii) the character of their management, and (iv) the convenience, needs and welfare of the communities and areas affected, such merger or consolidation would be consistent with adequate and sound banking and the public interest.*

(7) *Whether the cities, boroughs, villages or other places in which would be located a branch or branches of the surviving institution in the case of a merger, or of a newly consolidated institution in the case of a consolidation, are without adequate banking services or facilities other than the incorporated institution \*or institutions or national banking association or associations which are parties to the plan of merger or consolidation.*

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Act effective  
immediately.

Section 3. This act shall take effect immediately.

APPROVED—The 3rd day of July, A. D. 1957.

GEORGE M. LEADER

No. 261

### AN ACT

Amending the act of May 1, 1929 (P. L. 905), entitled "An act for the protection of the public safety; regulating the use of highways, and the operation of vehicles, tractors, street cars, trackless trolley omnibuses, bicycles, pedestrians, and the riding of animals upon the highways of this Commonwealth; providing for the titling, including liens, encumbrances, and legal claims; registration of certain vehicles and licensing the operators thereof, upon payment of prescribed fees; prescribing and limiting the powers of local authorities to deal with the subject matter of this act; conferring powers and imposing duties upon the Department of Revenue, the Department of Highways, peace officers, mayors, burgesses, magistrates, aldermen, justices of the peace, the courts and the clerks thereof, owners of vehicles, and garage keepers; providing that records are admissible as evidence; imposing upon owners, counties, cities, boroughs, incorporated towns, townships, within the Commonwealth, liability for damages caused by the negligent operation of their motor vehicles; imposing penalties; imposing certain costs upon counties; providing for the disposition of fines, forfeitures, fees, and miscellaneous receipts; making an appropriation and providing for refunds," imposing alternative penalties for illegally passing school buses.

\* "on" in original.