Kansas Administrative Regulations

Office of the State Bank Commissioner

Article 19.—Bank Subsidiaries Engaged in Securities Activities

17-19-2. Registration and licensing; violations; examination.

(a) Prior to engaging in securities activities, each bank subsidiary shall comply with registration and licensing requirements of the appropriate federal and state securities regulatory agencies. Each bank subsidiary shall maintain on file with the Kansas banking department copies of all required registration documents, together with copies of each license or registration documents issued to the bank subsidiary by each regulatory agency.

(b) Any application may be denied or authority revoked for any bank to own, hold or otherwise operate a bank subsidiary engaged in securities activities upon notification of any violation of federal or state securities laws or regulations.

(c) Any denial of an application or revocation of authority for a bank to own, hold or otherwise operate a bank subsidiary engaged in securities activities shall be made by the commissioner, subject to confirmation by the state banking board.

(d) Each bank subsidiary found to be in violation of any federal or state securities law or regulation shall notify the commissioner of each violation within 10 days of such finding. Each notice shall include all material facts surrounding such violation including:

(1) identification of parties involved;

(2) date of violation;

(3) nature of violation; and

(4) penalties assessed.

(e) The expense, including salaries, travel expenses, supplies and equipment, of each examination of a bank subsidiary deemed necessary by the bank commissioner after receiving notification as required by subsection (d) of this regulation shall be paid by the bank.

(Authorized by and implementing K.S.A. 1988 Supp. 9-1101; effective Nov. 20, 1989.)