

TITLE 4: ECONOMIC RESOURCES
DIVISION 6: BANKING AND FINANCIAL INSTITUTIONS

§ 6804. Unlawful Gratuity or Compensation; Transactions of Persons Connected With Commonwealth Bank.

(a) It is unlawful for an affiliate of a bank or for an officer, director or employee of a bank or affiliate of a bank:

(1) To solicit, accept or agree to accept, directly or indirectly, from any person other than the institution any gratuity, compensation or other personal benefit for any action taken by the institution or for endeavoring to procure any such action.

(2) To have any interest, directly or indirectly, in the proceeds of a loan or of a purchase or sale made by the bank, unless the loan, purchase or sale is expressly authorized by this division or by rule of the board and is approved in advance by vote of two-thirds of all the directors of the bank, any interested director or trustee taking no part in such vote.

(3) To have any interest, direct or indirect, in the purchase at less than its face value of any evidence of indebtedness issued by the institution.

(4) To discount or make any loan, directly or indirectly, upon any note or other evidence of indebtedness known to have been offered to the institution for discount or as security for a loan and to have been refused by it.

(b) In this section the term “affiliate” shall include:

(1) Any person who holds a majority of the stock of a bank or has been determined by the board to hold a controlling interest therein, any other corporation in which the person owns a majority of the stock and any partnership in which the person has an interest.

(2) Any corporation in which the institution or an officer, director or employee thereof holds a majority of the stock and any partnership in which the person has an interest.

(3) Any corporation of which a majority of the directors are officers, directors or employees of the institution or of which officers, directors, trustees or employees constitute a majority of the directors of the institution.

Source: PL 3-104, § 1003.