

CHAPTER 121
INVESTMENT CERTIFICATES

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§ 121101. Description of Investment Certificates.

An association may issue investment certificates, with or without passbooks. The holders of investment certificates shall have no liability for debts or assessments, and shall be entitled upon liquidation of an association to receive payment in full before any payment or distribution shall be made to shareholders or stockholders. The holders of investment certificates shall have no right to participate in the profits or dividends. Except in connection with mergers, consolidations or transfers pursuant to Section 113105 of this act, no investment certificate shall hereafter be issued for a consideration other than cash or cancellation of outstanding investment certificates of the same association of equal value or, with the approval of the commissioner, of different values. Subject to the provisions of this act and of the respective investment certificates, certificate holders shall be entitled to have interest paid or credited at the rate determined pursuant to Section 127109 and to the return of their principal with accrued interest upon withdrawal, redemption or maturity. Investment certificates may be issued as full paid investment certificates, installment certificates or accumulative investment certificates. If so provided in any investment certificate, interest thereon shall not exceed a specified rate. Subject to the provisions of Section 121104 of this act, interest on installment investment certificates hereafter issued shall continue to accrue after the maturity thereof until such certificates shall be withdrawn.

(a) Full Paid Certificates. A full paid investment certificate shall be an investment certificate, without an expressed date of maturity, for which the association shall have received the principal amount thereof at or prior to the time of the issuance thereof.

(b) Installment Certificates. An installment investment certificate shall be an investment certificate not full paid, upon which the holder shall be obligated to make payments at the times and in the amounts specified therein.

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(c) Accumulative Certificates. An accumulative investment certificate shall be an investment certificate, not fully paid and without an expressed date of maturity, upon which the holder shall have the option of making payments at such times and in such amounts as such holder may elect and as the association may permit.

SOURCE: GC §41250.

§ 121102. Investment Certificates to be Legal Investments.

All investment certificates issued by any association licensed by and under the direct supervision of the commissioner in accordance with the provisions of this act, shall be legal investments for the funds of executors, administrators, guardians, receivers, and trustees of every kind and nature and for the funds of all insurance companies and when, by any law of this territory, it is provided that the moneys of any pension fund, retirement plan, trust fund, or the moneys of any fund the investment of which is governed by law may or shall be invested in securities which are a legal investment for savings banks, then such law shall be deemed to authorize the investment of such moneys in such investment certificates. This section is intended to be, and shall be considered, the latest enactment upon the matters herein contained, and is supplemental to any and all other acts regulating, relating to and declaring what shall be, legal investments for the funds of executors, administrators, guardians, receivers, trustees or insurance companies, or for any of the other funds referred to in this section.

SOURCE: GC §41251.

§ 121103. Less Than Six Months Interest Not to be Paid.

[Repealed.]

SOURCE: GC §41252. Repealed by P.L. 12-70.

§ 121104. Redemption of Certificates.

All investment certificates hereafter issued shall be subject to redemption, either in whole or part, at the option of the association at any time after the issuance thereof, by giving the holder at least thirty (30) days notice of such intended redemption; provided, however, that an association may provide that such certificates shall not be subject to redemption for an initial period after the issuance thereof, which initial period shall not exceed one (1) year. The redemption price of all

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Investment certificates shall be the value thereof at the date fixed for redemption, if the date fixed for redemption is not a date on which interest is to be paid or credited, interest accrued from the last such date shall be pro-rated and shall be based on the rate of return for the current period if such rate shall have been determined prior to the date fixed for such retirement, and if not, shall be based on the rate of return determined for the latest previous period for which such rate shall have been determined. On or after the date fixed for redemption, as stated in the notice of redemption, each holder of an investment certificate called for redemption shall surrender his certificate properly endorsed to the association, and shall thereupon be entitled to receive payment of the redemption price of such certificate, or of the Portion thereof to be redeemed; and in case a certificate shall be redeemed in part, to receive a new certificate representing the unredeemed part thereof. If such notice of intended redemption shall have been duly given and if on or before the date fixed for such redemption funds necessary for such redemption shall be and continue available therefor, then, notwithstanding that any certificate called for redemption in whole or in part shall not have been surrendered, the interest thereon, with respect to the amount called for redemption, shall cease to accrue after the date fixed for such redemption, and all rights of the holder in respect of the amount so called for redemption shall forthwith after such redemption date cease and determine, except only the right of the holder to receive the redemption price without interest after the date fixed for redemption. In all cases the notice of redemption shall expressly state that interest will cease on the date fixed for redemption.

SOURCE: GC §41253.
