

CHAPTER 139
MISCELLANEOUS PROVISIONS AFFECTING ASSOCIATIONS

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§ 139101. Restrictions on Advertising.

No association shall issue or publish or cause or permit to be issued or published, any advertisement that it is doing or permitted to do any business which is prohibited by law to an association, or any advertisement which shall misrepresent the nature of the shares, stock or investment certificates of such association, or the rights of investors in respect thereto.

SOURCE: GC §41600.

§ 139102. Bonds of Officers and Employees.

All officers, employees and agents of each association, having access to moneys or negotiable securities of such association in the regular discharge of their duties, or issuing stock, shares or investment certificates of such association in the regular discharge of their duties, before entering upon their duties and throughout the entire term of their office and employment and any subsequent term thereof, shall furnish to the employing association a good and sufficient bond indemnifying such association against loss of money or other securities by reasons of any dishonesty on the part of such officers or employees and by reason of any loss arising from any dishonest issue of stock, shares or investment certificates on the part of such officers or employees. The commissioner shall prescribe the amount and form of said bond and the term during which it shall run, and the sufficiency of the surety or sureties thereon shall at all times be subject to the approval of the commissioner. Each of such officers and employees shall renew his bond upon the expiration of its term. The commissioner may at any time require an additional bond or surety when in his opinion any such bond then in force is insufficient. All such bonds shall be filed in the commissioner's office.

SOURCE: GC §41601.

§ 139103. Membership of Borrowers.

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Any association may (but shall not be required to) provide in its by-laws that every person holding a certificate of membership as a borrower from such association shall be a member thereof, and in the case of any association having by-laws containing such provision every person holding a certificate of membership as a borrower from such association shall be a member thereof. Any applicant for a loan from any association having by-laws containing such provision, who is not a member of such association, may be permitted to become a member without purchasing or subscribing for shares of such association, upon application made to the association before or at the time of the filing of his loan application. A certificate of membership shall be issued to every such applicant accepted by such association as a member and at all meetings of the members of such association (or if persons other than members of such association shall also be entitled to vote), then at all meetings of the members of such association and of such other persons as shall be entitled to vote), and on all matters of the association requiring the vote of shareholders, stockholders, or other person entitled to vote, borrowing members, in person or by proxy, shall be entitled to cast one vote each; provided, however, that in the case of any association having by-laws containing the provision above referred to in this section where a loan is made to, or property securing a loan is owned by, two or more persons, each of such persons shall be a member, but such persons in the aggregate shall hold one certificate and have one vote, and such vote shall be cast by the majority of such persons present in person or by proxy at such meeting, or if only one of such persons is present in person or by proxy then by that one. Any person who shall be a member of an association solely by reason of holding a borrower's membership shall cease to be a member upon (a) full repayment of the loan including all advances or (b) the sale, exchange, transfer or other disposition of such loan by the association or (c) transfer of the property securing the loan to another person or persons, but from and after such transfer the person or persons acquiring such property shall become a member or members in lieu of the person or persons making such transfer upon being issued a certificate of membership as a borrower; provided, however, that the association, until it has notice of such transfer, shall be entitled for all purposes to treat the transferor as a member of the association. *Person*, as used in this section, includes person, firm, copartnership, association and corporation.

SOURCE: GC §41602.

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§ 139104. Specific Powers of Association.

An association operating under this Title shall have all the specific powers conferred by this Title and in addition thereto, the following general powers:

To exercise, notwithstanding the provisions of §2105 of Title 18, Guam Code Annotated, all the powers necessary to qualify as a trustee or custodian under the Federal Self-Employed Individuals Tax Retirement Act of 1962, as amended, and the Employee Retirement Income Security Act of 1974; provided that any funds held in such capacity shall be invested only in a savings account or time deposit of the institution.

SOURCE: GC §41603.
