

Refer to
Legislative Secretary

DEC 30 1999

The Honorable Antonio R. Unpingco
Speaker
I Mina'Bente Singko na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Hagåtña, Guam 96910

Unpingco
4:00 pm
12-30-99

Dear Speaker Unpingco:

Enclosed please find Substitute Bill No. 244 (LS) "AN ACT TO AMEND §106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK," previously vetoed by i Maga'lahren Guåhan, the Governor, and subsequently overridden by i Liheslatura, the Legislature. This legislation is now designated as **Public Law No. 25-95**.

Very truly yours,

Madeleine Z. Bordallo
Madeleine Z. Bordallo
A Maga'Lahren Guåhan, Åkto
Acting Governor of Guam

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill

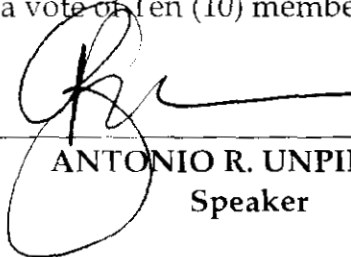
cc: The Honorable Joanne M. S. Brown
Legislative Secretary

Office of the Speaker
ANTONIO R. UNPINGCO
Date: 12-30-99
Time: 1:55
Rec'd by: _____
Print Name: Antonio R. Unpingco
32544-0360

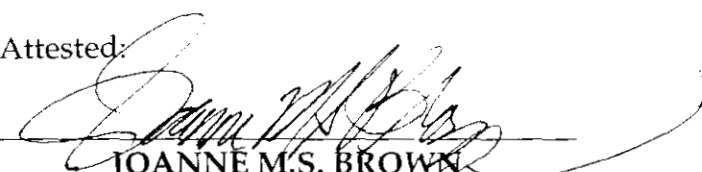
MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

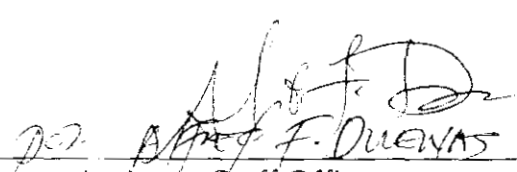
This is to certify that Substitute Bill No. 244 (LS), "AN ACT TO AMEND §106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK," returned without approval of *I Maga'lahaen Guahan*, was reconsidered by *I Liheslaturan Guahan* and after such consideration, did agree, on the 29th day of December, 1999, to pass said bill notwithstanding the veto of *I Maga'lahaen Guahan* by a vote of Ten (10) members.


ANTONIO R. UNPINGCO
Speaker

Attested:


JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahaen Guahan* this 29 day of December,
1999, at 10:55 o'clock P.M.


ALFRED F. QUENAS
Assistant Staff Officer
Maga'lahaen's Office

1 **"Section 106205. Incorporators.** A territorial bank may be
2 organized by five (5) or more individual incorporators. All
3 incorporators shall be United States citizens and residents of Guam.
4 Each incorporator shall subscribe and pay in full in cash for stock
5 having a par value of *not less than* one-half of one percent (1/2 of 1%) of
6 the minimum capital and paid in surplus requirements."

MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910




December 29, 1999

The Honorable Carl T.C. Gutierrez
I Maga'lahaen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910

Dear *Maga'lahi* Gutierrez:

Transmitted herewith are Substitute Bill Nos. 217(COR), 289(COR), 305(COR), 244(LS), 348(LS) and Bill No. 303(COR) which were overridden by *I Mina'Bente Singko Na Liheslaturan Guåhan* on December 29, 1999, notwithstanding your veto.

Sincerely,


JOANNE M.S. BROWN
Senator and Legislative Secretary

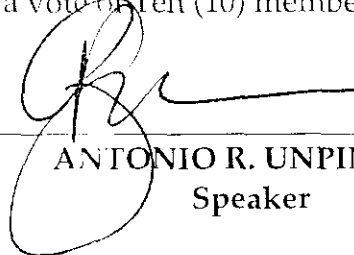
Enclosure (6)

December 29, 1999
155 Hesler Street, Hagåtña, Guam


MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

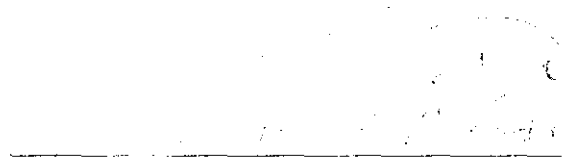
This is to certify that Substitute Bill No. 244 (LS), "AN ACT TO AMEND §106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK," returned without approval of *I Maga'lahaen Guahan*, was reconsidered by *I Liheslaturan Guahan* and after such consideration, did agree, on the 29th day of December, 1999, to pass said bill notwithstanding the veto of *I Maga'lahaen Guahan* by a vote of Ten (10) members.



ANTONIO R. UNPINGCO
Speaker

Attested: 
JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahaen Guahan* this _____ day of _____, 1999, at _____ o'clock _____ M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: _____

Public Law No. _____

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 244 (LS)

As substituted by the Committee on
Housing, General Government Services
and Foreign Affairs.

Introduced by:

K. S. Moylan
A. C. Lamorena, V
A. R. Unpingco
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
J. M.S. Brown
E. B. Calvo
M. G. Camacho
Mark Forbes
L. F. Kasperbauer
C. A. Leon Guerrero
V. C. Pangelinan
J. C. Salas
S. A. Sanchez, II

AN ACT TO AMEND §106205 OF ARTICLE 2,
CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE
GUAM CODE ANNOTATED, RELATIVE TO
REMOVING RESTRICTIONS IN THE
OWNERSHIP OF STOCKS OF A TERRITORIAL
BANK.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Section 106205 of Article 2, Chapter 106, Division 4 of Title
3 11 of the Guam Code Annotated is hereby *amended* to read as follows:

1 **"Section 106205. Incorporators.** A territorial bank may be
2 organized by five (5) or more individual incorporators. All
3 incorporators shall be United States citizens and residents of Guam.
4 Each incorporator shall subscribe and pay in full in cash for stock
5 having a par value of *not less than* one-half of one percent (1/2 of 1%) of
6 the minimum capital and paid in surplus requirements."

Overridden

I MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN

1999 (FIRST) Regular Session

Date: 12/29/99

VOTING SHEET

Vetoed
Bill No. 244

Resolution No.

Question: Notwithstanding the objections of the Governor.

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
AGUON, Frank B., Jr.		✓			
BERMUDES, Eulogio C.					EA
BLAZ, Anthony C.		✓			
BROWN, Joanne M.S.	✓				
CALVO, Eduardo B.	✓				
CAMACHO, Marcel G.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LAMORENA, Alberto C., V	✓				
LEON GUERRERO, Carlotta A.	✓				
MOYLAN, Kaleo Scott				✓	
PANGELINAN, Vicente C.	✓				
SALAS, John C.	✓				
SANCHEZ, Simon A., II	✓				
UNPINGCO, Antonio R.			<i>excused</i> ✓		

TOTAL

10 2 1 1 1

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

NOV 26 1999

The Honorable Antonio R. Unpingco
Speaker
I Mina'Bente Singko na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Hagåtña, Guam 96910

Dear Speaker Unpingco:

Enclosed please find Substitute Bill No. 244 (LS) "AN ACT TO AMEND §106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK," which I have **vetoed**.


It with great disappointment that I received a measure which is so clearly intended to serve special interests and which in fact, violates the Legislature's own ethics code. Bill No. 244 is designed to enhance the capitalization and share value of locally owned banks by removing the current restrictions on ownership of these shares. Aside from concerns about the content of the bill, I am appalled that the Legislature entertained a measure dealing with banking regulation whose main sponsors are Senator Kaleo Moylan, whose family is a major stockholder in Citizens Security Bank and yourself Mr. Speaker, who is a member of the Citizens Security Bank Board of Directors.

Section 29.03 of the Legislature's Code of Ethics, clearly states that no Senator shall:

"dispense discriminatory or special favors, or receive benefits for the person or that person's family that could either affect or be construed to affect that person's judgment in any matter concerning the business of *I Liheslaturan Guahan*, the Executive Branch or the Judicial Branch of government;"

For a Senator to sponsor a banking bill that affects the bank owned by his family, or which he controls as a Board member, is clearly activity that is unethical. The action of yourself, your colleague Senator Kaleo Moylan, and the Senators who facilitated this unethical conduct has brought disrepute on the Legislature. For this reason alone, the measure is deserving of a veto.

00569

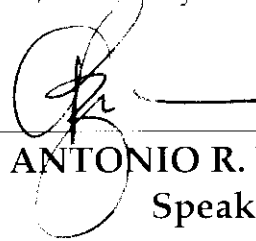

2:37pm
11.26.99

Antonio R. Unpingco
Speaker
Guam Legislature
Temporary Building
155 Hesler Street
Hagåtña, Guam 96910

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session

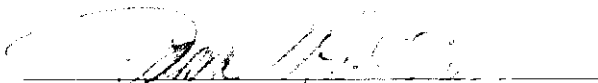
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 244 (LS) "AN ACT TO AMEND §106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK," was on the 9th day of November, 1999, duly and regularly passed.



ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahaen Guahan this 15th day of November, 1999,
at 9:35 o'clock 4.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: _____

Public Law No. _____

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 244 (LS)

As substituted by the Committee on
Housing, General Government Services
and Foreign Affairs.

Introduced by:

K. S. Moylan
A. C. Lamorena, V
A. R. Unpingco
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
J. M.S. Brown
E. B. Calvo
M. G. Camacho
Mark Forbes
L. F. Kasperbauer
C. A. Leon Guerrero
V. C. Pangelinan
J. C. Salas
S. A. Sanchez, II

**AN ACT TO AMEND §106205 OF ARTICLE 2,
CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE
GUAM CODE ANNOTATED, RELATIVE TO
REMOVING RESTRICTIONS IN THE
OWNERSHIP OF STOCKS OF A TERRITORIAL
BANK.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1.** Section 106205 of Article 2, Chapter 106, Division 4 of Title

3 11 of the Guam Code Annotated is hereby *amended* to read as follows:

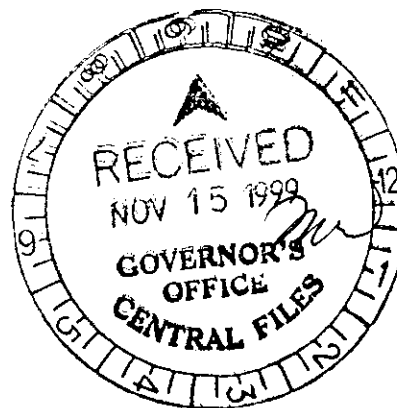
1 **"Section 106205. Incorporators.** A territorial bank may be
2 organized by five (5) or more individual incorporators. All
3 incorporators shall be United States citizens and residents of Guam.
4 Each incorporator shall subscribe and pay in full in cash for stock
5 having a par value of *not less than* one-half of one percent (1/2 of 1%) of
6 the minimum capital and paid in surplus requirements."



MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910

November 12, 1999

The Honorable Carl T.C. Gutierrez
I Maga'lahaen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910



Dear *Maga'lahi* Gutierrez:

Transmitted herewith are Bill Nos. 161(LS), 241(LS), 255(COR), 275(COR) and Substitute Bill Nos. 217(COR), 244(LS), 256(COR), 264(LS), 265(LS) and 349(LS) which were passed by *I Mina' Bente Singko Na Liheslaturan Guåhan* on November 9, 1999.

Sincerely,

JOANNE M.S. BROWN
Senator and Legislative Secretary

Enclosure (10)

CLERK OF THE LEGISLATURE
TRANSMISSION CHECKLIST TO IMAGA'LAHEN GUAHAN

(Included in File w/ All Bills Transmitted)

BILL NO. _____

FINAL PROOF-READING OF BLUEBACK COPY

Initialed by: _____

and Date: _____

- EXHIBITS ATTACHED
- CONFIRM NUMBER OF PAGES
- CAPTION ON CERTIFICATION MATCHES BILL CAPTION
- ENGROSSED SIGNATURE REMOVED FROM BILL
- 15 SENATORS IN SPONSORSHIP OR CONFIRM OTHERWISE
- CERTIFICATION SIGNED BY SPEAKER & LEGIS. SECRETARY
- EMERGENCY DECLARATION, if any

Confirmed By: _____

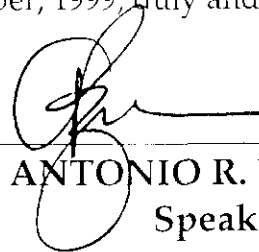
Dated: _____

- HAND CARRY BILL IN BLUEBACK (ORIGINAL & COPY)
TO THE GOVERNOR. (DANNY, ROBERT OR OTHERS _____)
- ACKNOWLEDGED COPY W/ ORIGINAL BLUEBACK
PLACED ON CLERK'S DESK. (Same copy given to Susan)
- FILED by: Danny, Robert or others

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 244 (LS) "AN ACT TO AMEND §106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK," was on the 9th day of November, 1999, duly and regularly passed.



ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahaen Guahan* this 15th day of November, 1999,
at 9:35 o'clock PM.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: _____

Public Law No. _____

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 244 (LS)

As substituted by the Committee on
Housing, General Government Services
and Foreign Affairs.

Introduced by:

K. S. Moylan
A. C. Lamorena, V
A. R. Unpingco
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
J. M.S. Brown
E. B. Calvo
M. G. Camacho
Mark Forbes
L. F. Kasperbauer
C. A. Leon Guerrero
V. C. Pangelinan
J. C. Salas
S. A. Sanchez, II

AN ACT TO AMEND §106205 OF ARTICLE 2,
CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE
GUAM CODE ANNOTATED, RELATIVE TO
REMOVING RESTRICTIONS IN THE
OWNERSHIP OF STOCKS OF A TERRITORIAL
BANK.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Section 106205 of Article 2, Chapter 106, Division 4 of Title
3 11 of the Guam Code Annotated is hereby *amended* to read as follows:

1 **"Section 106205. Incorporators.** A territorial bank may be
2 organized by five (5) or more individual incorporators. All
3 incorporators shall be United States citizens and residents of Guam.
4 Each incorporator shall subscribe and pay in full in cash for stock
5 having a par value of *not less than* one-half of one percent (1/2 of 1%) of
6 the minimum capital and paid in surplus requirements."

I MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN

1999 (FIRST) Regular Session

Date: 11/9/99

VOTING SHEET

5 Bill No. 244(LS)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT ROLL CALL
AGUON, Frank B., Jr.	✓				
BERMUDES, Eulogio C.	✓				
BLAZ, Anthony C.		✓			
BROWN, Joanne M.S.	✓				
CALVO, Eduardo B.					EA ✓
CAMACHO, Marcel G.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LAMORENA, Alberto C., V	✓				
LEON GUERRERO, Carlotta A.	✓				
MOYLAN, Kaleo Scott	✓				
PANGELINAN, Vicente C.	✓				
SALAS, John C.					EA ✓
SANCHEZ, Simon A., II	✓				
UNPINGCO, Antonio R.	✓				

TOTAL

12 1 _____ EA

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence



MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910

FILE

August 27, 1999

(DATE)

Memorandum

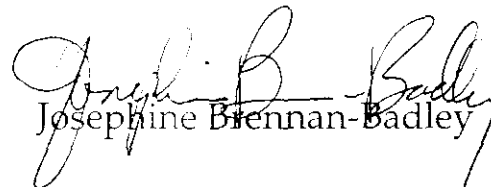
To: Senator KALEO S. MOYLAN

From: Clerk of the Legislature

Subject: Report on Bill No. 244(LS)

Pursuant to §7.04 of Rule VII of the 25th Standing Rules, transmitted herewith is a copy of the Committee Report on Bill No. 244(LS), for which you are the prime sponsor.

Should you have any questions or need further information, please call the undersigned at 472-3464/5.


Josephine Brennan-Badley

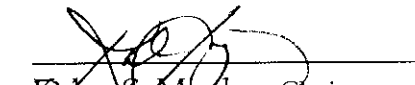
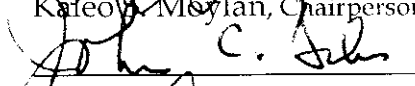
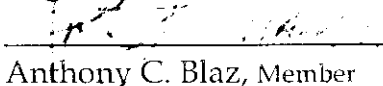
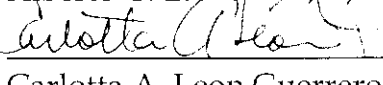

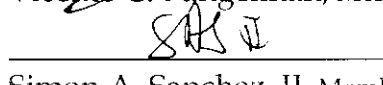
Attachment

Mona
4:06 AM
8-27-99

Committee on Housing,
 General Government Services and Foreign Affairs
 Vote Sheet on
 Substitute Bill No. 244 (LS)

AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106,
 DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED RELATIVE
 TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A
 TERRITORIAL BANK.

COMMITTEE MEMBER	TO PASS	NOT TO PASS	ABSTAIN	INACTIVE FILE
------------------	---------	-------------	---------	---------------

 Kaleo S. Moylan, Chairperson	✓			
 John C. Salas, Vice Chairperson	✓			
Antonio R. Unpingco, Speaker & Ex-Officio				
Frank B. Aguon, Jr., Member				
 Anthony C. Blaz, Member	✓			
Marcel G. Camacho, Member				
Alberto C. Lamorena, V, Member				
 Carlotta A. Leon Guerrero, Member	✓			
 Vicente C. Pangelinan, Member	✓			
 Simon A. Sanchez, II, Member	✓			

Profile on Bill No. 244 (LS)

Brief Title: "Ownership of Stocks in Territorial Banks."

Date Introduced: June 22, 1999.

Main Sponsor(s): Senator K. S. Moylan.

Committee Referral: June 23, 1999, from the Committee on Rules, Government Reform, Reorganization and Federal Affairs to the Committee on Housing, General Government Services and Federal Affairs.

Public Hearing: Thursday, August 12, 1999, April 21, 1999, at the Committee on Rules Conference Room.

Official Title: AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK.

Witnesses: Mr. Danilo Rapadas, Legal Counsel, Bank of Guam.

Notices to Department(s): Adequate notice were given to the media and to the affected department(s) and/or agency(ies).

Recommendation: To do pass as substituted.

OVERVIEW: Enactment of Bill No. 244 (LS) would provide additional benefits to existing shareholders of territorial banks by improving their liquidity on bank stocks. It will enable territorial banks to list their stocks in a national equity market, giving shareholders a new and larger arena in which to trade their shares. This will reduce the costs and mitigate the delays involved in making a trade, improving the value of outstanding territorial banks shares.

Committee on Housing, General
Government Services and Foreign Affairs
Report On
Substitute Bill No. 244 (LS)

AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106,
DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED RELATIVE
TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A
TERRITORIAL BANK.

Introduced by Senator K. S. Moylan

PUBLIC HEARING: The Committee on Housing, General Government Services and Foreign Affairs, to which was referred Bill No. 244 (LS) "AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK," conducted a public hearing on Thursday, August 12, 1999, at the Committee on Rules Conference Room.

MEMBERS PRESENT: Senator Kaleo S. Moylan, Chairperson of the Committee on Housing, General Government Services and Foreign Affairs convened the hearing promptly at 8:30 a.m. Committee members and other Senators present were: Vicente C. Pangelinan and Lawrence F. Kasperbauer.

TESTIMONY: Appearing before the Committee was Mr. Danilo Rapadas, Legal Counsel for the Bank of Guam. [Exhibit "A"]. Mr. Rapadas informed the Committee that the Bank of Guam lends its full support to Bill No. 244(LS). There being no questions and no further witnesses, the Chairperson of the Committee adjourned the hearing on Bill No. 244 and moved on to the next item of the hearing Agenda.

A CLOSER LOOK and FINDINGS: The intent of Bill No. 244 (LS) is to provide additional benefits to existing shareholders of territorial banks by improving their liquidity on bank stocks. With the current restriction on ownership of territorial bank stocks, this particular provision impedes access to broader capital markets, thereby inhibiting the banks growth potential. Under existing Guam statutes, territorial banks do not have access to capital infusions from broader, more flexible external capital markets required to support the expanded financial services necessary for a bank to compete.

RECOMMENDATION: The Committee, having reviewed the testimonies presented at the public hearing, does hereby recommend to *I Liheslatura* that Bill No. 244 (LS) "AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK," be passed as substituted.

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 244 (LS)

As substituted by the Committee on
Housing, General Government Services
and Foreign Affairs.

Introduced by:

K. S. Moylan

AN ACT TO AMEND SECTION 106205 OF
ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE
11 OF THE GUAM CODE ANNOTATED RELATIVE
TO REMOVING RESTRICTIONS IN THE
OWNERSHIP OF STOCKS OF A TERRITORIAL
BANK.

1 BE IT ENACTED BY THE PEOPLE OF Guam:

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4 "Section 106205. Incorporators. A territorial bank may be
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6 incorporators shall be United States citizens and residents of Guam.
7 Each incorporator shall subscribe and pay in full in cash for stock
8 having a par value of not less than one-half of one percent (1/2 of 1%) of
9 the minimum capital and paid in surplus requirements."

ANTHONY A. LEON GUERRERO

President
and
Chief Executive Officer



Bank of Guam

"The People's Bank"

MEMBER OF THE FEDERAL
DEPOSIT INSURANCE CORP.

P.O. Box BW
Agana, Guam 96932
Tel: (671) 472-5271/3/5
Fax: (671) 477-8687

August 12, 1999

Honorable Senator Kaleo Moylan
Chairman, Committee on Housing, General
Government Services and Foreign Affairs
I Mina'Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
155 Hesler Street
Hagåtña, Guam 96910

RE: Bill No. 244(LS)

Dear Senator Moylan:

Bank of Guam lends its full support to Bill 244(LS), "An Act to Amend Section 106205 of Article 2, Chapter 106, Division 4 of Title 11 of the Guam Code Annotated Relative to Removing Restrictions in the Ownership of a Territorial Bank."

Among federal regulators, such as the Federal Deposit Insurance Corporation, capital is viewed as an extremely important component of any bank's balance sheet. Banks that are "well-capitalized" according to the FDIC Rules and Regulations are generally assessed reduced insurance premiums; in many instances, applications, such as for additional branches, are approved for well-capitalized banks on an expedited basis. Capital is the cornerstone of any financial institution.

The purpose of capital for a bank, or any company for that matter, is two-fold. First, along with earnings, capital provides a cushion against adversity. For example, a bank may experience losses, and capital can absorb these losses and protect the a bank from insolvency. Secondly, capital is a funding source. Equity financing is a substitute for deposits or other forms of debt financing. Using appropriate equity financing, a bank can promote controlled growth.

The current Section 106205 of Article 2, Chapter 106, Division 4 of Title 11 of the Guam Code Annotated describes the Incorporators of a territorial bank. However, the last sentence of this section, which Bill 244(LS) seeks to remove, provides that, "Stock of a territorial bank may be legally and beneficially owned only by citizens of the United States, citizens of the Commonwealth of the Northern Mariana Islands or citizens of the former Trust Territory of

the Pacific Islands, or by a bank holding company, whether or not such holding company is headquartered on Guam.”

By placing a restriction on ownership of territorial bank stock, Section 106205 impedes access to broader capital markets, thus inhibiting the growth potential of territorial banks. Because the authorized ownership of territorial bank stock is narrowly constrained, a bank’s ability to obtain additional capital financing is severely limited. In today’s banking environment, the regulatory agencies are applying quantitative measures of capital adequacy that are well above prior industry standards. This, coupled with the expanded capital needs of financial institutions resulting from the diversification of the banking industry, increases the need for additional capital resources. Simply stated, banks require additional capital to effectively compete in the “new” financial market resulting from the numerous bank mergers in the past few years and the less stringent regulatory structure governing credit unions, insurance companies and finance companies. Under existing Guam law, territorial banks do not have access to capital infusions from broader, more flexible external capital markets required to support the expanded financial services necessary for a bank to compete.

Bill 244(LS) would provide an additional benefit to existing shareholders of territorial banks by improving the liquidity of bank stocks. Territorial banks will be able to list their stock in a national equity market, giving shareholders a new and larger arena in which to trade their shares. This will reduce the costs and mitigate the delays involved in making a trade, improving the value of outstanding territorial bank shares.

For the reasons cited above, Bank of Guam fully supports Bill 244(LS). If you have any questions on this matter feel free to call me directly at 472-5271. In any event, I thank you for your initiative in the sponsorship of this needed banking law reform.

Sincerely,

Anthony A. Leon Guerrero
President and Chief Executive Officer

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina'Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature

August 5, 1999

OFFICE COPY

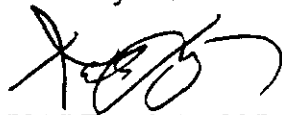
The Honorable Carl T.C. Gutierrez
Maga'lahaen Guåhan
R. J. Bordallo Governor's Complex
Agana, Guam 96932

Re: Committee Public Hearing: Thursday, August 12, 1999

Dear Governor Gutierrez:

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs to which was referred your appointments of Jaime Paulino, Jesus Okada and Juan Wusstig to serve as members of the Guam Housing Board of Commissioners, will conduct a public hearing on Thursday, August 12, 1999 commencing at 5:00 p.m. in the Legislative Public Hearing Room. A copy of the hearing Agenda and other pertinent information are enclosed for your reference and information.

Thank you,



KALEO S. MOYLAN

Enclosure:

GUAM LEGISLATURE	
OFFICE OF SENATOR KALEO S. MOYLAN	
ACKNOWLEDGEMENT RECEIPT	
Date: <u>3/10/99</u>	Time: <u>3:20 PM</u>
Received by: <u>K. H. Z...</u>	

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
Committee on Housing, General Government Services and Foreign Affairs

Public Hearing
5:00 p.m., Thursday, August 12, 1999

A G E N D A

I. Call to Order:

II. Announcement & Introduction of Members:

III. Executive Appointments:

Mr. Jaime Paulino, Jesus Okada, and Juan C. Wusstig to serve as members of the Guam Housing and Urban Renewal Authority Board of Commissioners.

IV. Legislative Measures:

Bill No. 101 (COR): AN ACT TO IDENTIFY ALL GOVERNMENT OF GUAM COMPUTERS THAT ARE NOT Y2K COMPLIANT AND TO HAVE THESE ASSETS TRANSFERRED TO THE USE AND CUSTODY OF THE DEPARTMENT OF EDUCATION. By S. A. Sanchez, II, E. B. Calvo, A. R. Unpingco.

Bill No. 169 (COR): AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 8, TITLE 4, GUAM CODE ANNOTATED RELATIVE TO PROVIDING DISABILITY AND SURVIVOR BENEFITS FOR DEFINED CONTRIBUTION MEMBERS. By L. F. Kasperbauer, K. S. Moylan, S. A. Sanchez, II, M. G. Camacho.

Bill No. 244 (LS): AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK. By K. S. Moylan.

V. Remarks:

VI. Adjournment:

The Committee Hearing will take place in the Guam Legislature Public Hearing Room located in Hagåtña, Guam.



The Office of
Senator Kaleo S. Moylan

Chairman, Committee on Housing, General Government Services and Foreign Affairs

Acknowledgment Receipt

Subject: Committee Public Hearing on Thursday, August 12, 1999 for Executive Appointment.

Jaime Paulino, Jesus Okada and Juan Wusstig and Bill Numbers 101, 169 and 244

Date: August 10, 1999

<u>Senators</u>	<u>Date</u>	<u>Time</u>	<u>Initial</u>	<u>Print Name</u>
F.B. Aguon	8/10/99	3:15	<i>Am</i>	ANNIE
E.C. Bermudes	}	}	}	}
A.C. Blaz	}	}	}	}
J.M.S. Brown	}	}	}	}
E.B. Calvo	}	}	}	}
M.G. Camacho	8/10/99	3:00	Emy	Elizabeth Quintero
M. Forbes	}	3:15	<i>Am</i>	ANNIE
V. Speaker L. Kasperbauer	}	}	}	}
A.C. Lamorena, V.	}	}	}	}
C. Leon Guerrero	}	}	}	}
V.C. Pangelinan	}	}	}	}
J.C. Salas	}	}	}	}
S.A. Sanchez, II	}	}	}	}
Speaker A.R. Unpingco	8/10/99	3:15	<i>Am</i>	LAURIE RANCHES

Central Administration Office

Executive Director	8/10/99	3:15	<i>Am</i>	ANNIE
Legal Counsel				
Clerk of the Legislature	8/10/99	3:15	<i>Am</i>	ANNIE
Protocol	8/10/99	3:10	<i>Jm</i>	J MARTINEZ
Audio				
Maintenance				
Archives/Reproduction				
Accounting				
Payroll				
Procurement				

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina'Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature

August 9, 1999

Mr. Anthony A. Leon Guerrero
President
Bank of Guam
Agana, Guam 96932

OFFICE COPY

Re: Committee Public Hearing: Thursday, August 12, 1999

Dear Mr. Leon Guerrero:

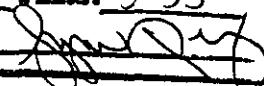
This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs to which was referred Bill No. 244 (LS): "AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK," will conduct a public hearing on Thursday, August 12, 1999 commencing at 5:00 p.m. in the Legislative Public Hearing Room. Should you wish to submit written testimony for the record, please make 20 copies available to my office for proper distribution and record.

Thank you,



KALEO S. MOYLAN

Enclosure:

GUAM LEGISLATURE	
OFFICE OF SENATOR KALEO S. MOYLAN	
ACKNOWLEDGEMENT RECEIPT	
Date: 8/10/99	Time: 3:55
Received by: 	

OFFICE COPY

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina'Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature

August 9, 1999

Mr. Daniel Webb
Chairman of the Board
Guam Chamber of Commerce
Agana, Guam 96932

GUAM LEGISLATURE OFFICE OF SENATOR KALEO S. MOYLAN ACKNOWLEDGEMENT RECEIPT Date: <u>8/10/99</u> Time: <u>3:03 PM</u> Received by: <u>J. Castro</u>
--

Re: Committee Public Hearing: Thursday, August 12, 1999

Dear Mr. Webb:

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs to which was referred the following executive appointments and legislative measures will conduct a public hearing on Thursday, August 12, 1999 commencing at 5:00 p.m. in the Legislative Public Hearing Room.

Appointments of Jaime Paulino, Jesus Okada and Juan Wusstig to serve as members of the Guam Housing and Urban Renewal Authority Board of Commissioners.

Bill No. 101 (COR): AN ACT TO IDENTIFY ALL GOVERNMENT OF GUAM COMPUTERS THAT ARE NOT Y2K COMPLIANT AND TO HAVE THESE ASSETS TRANSFERRED TO THE USE AND CUSTODY OF THE DEPARTMENT OF EDUCATION. By S. A. Sanchez, II, E. B. Calvo, A. R. Unpingco.

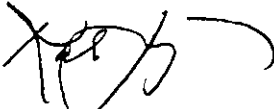
Bill No. 169 (COR): AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 8, TITLE 4, GUAM CODE ANNOTATED RELATIVE TO PROVIDING DISABILITY AND SURVIVOR BENEFITS FOR DEFINED CONTRIBUTION MEMBERS. By L. F. Kasperbauer, K. S. Moylan, S. A. Sanchez, II, M. G. Camacho.

Bill No. 244 (LS): AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK. By K. S. Moylan.

Mr. Daniel Webb, Chairman of the Board
Guam Chamber of Commerce
Agana, Guam 96932
August 9, 1999
Re: Committee Public Hearing: Thursday, August 12, 1999

Should you wish to submit written testimony for the record, please make 20 copies available to my office for proper distribution and record.

Thank you,



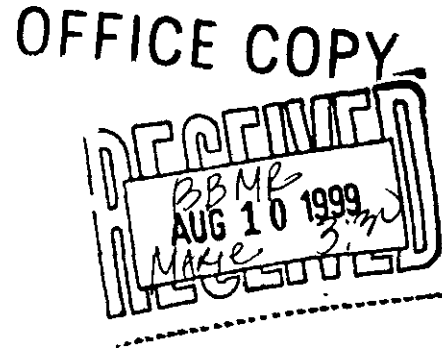
KALEO S. MOYLAN

Enclosure:

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina'Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature

August 5, 1999

Mr. Joseph Rivera
Director
Bureau of Budget and Management Research
R. J. Bordallo Governor's Complex
Hagåtña, Guam 96932



Re: Request for Fiscal Notes

Dear Mr. Rivera:

Please find attached copies of Bills referred to the Committee on Housing, General Government Services and Foreign Affairs which I respectfully request issuance of Fiscal Notes.

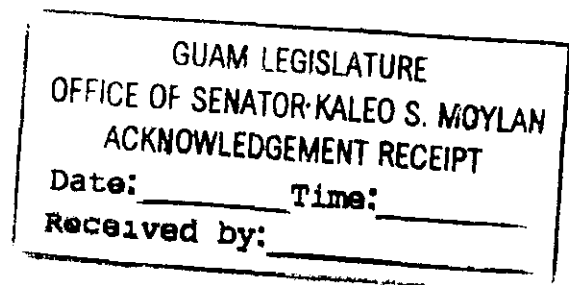
Bill No. 101 (COR): AN ACT TO IDENTIFY ALL GOVERNMENT OF GUAM COMPUTERS THAT ARE NOT Y2K COMPLIANT AND TO HAVE THESE ASSETS TRANSFERRED TO THE USE AND CUSTODY OF THE DEPARTMENT OF EDUCATION.

Bill No. 169 (COR): AN ACT TO ADD A NEW ARTICLE 4 TO CHAPTER 8, TITLE 4, GUAM CODE ANNOTATED RELATIVE TO PROVIDING DISABILITY AND SURVIVOR BENEFITS FOR DEFINED CONTRIBUTION MEMBERS.

Bill No. 244 (LS): AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK.

Thank you,


KALEO S. MOYLAN



Enclosures:

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
Committee on Housing, General Government Services and Foreign Affairs

Public Hearing
5:00 p.m., Thursday, August 12, 1999

A G E N D A

I. Call to Order:

II. Announcement & Introduction of Members:

III. Executive Appointments:

Mr. Jaime Paulino, Jesus Okada, and Juan C. Wusstig to serve as members of the Guam Housing and Urban Renewal Authority Board of Commissioners.

IV. Legislative Measures:

Bill No. 101 (COR): AN ACT TO IDENTIFY ALL GOVERNMENT OF GUAM COMPUTERS THAT ARE NOT Y2K COMPLIANT AND TO HAVE THESE ASSETS TRANSFERRED TO THE USE AND CUSTODY OF THE DEPARTMENT OF EDUCATION. By S. A. Sanchez, II, E. B. Calvo, A. R. Unpingco.

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Bill No. 244 (LS): AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GUAM CODE ANNOTATED RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK. By K. S. Moylan.

V. Remarks:

VI. Adjournment:

Change of Venue
The Committee Hearing will take place in the Committee on Rules Conference
Room located in Hagåtña, Guam.



MINISTRO BENTE SINGKO NA LEGISLATURAN GUAM
Kumitean Areklamento, Refotman Gubetnamento Sina, Inetnon di Nuebu, yan Asunton Fidirat

*Senadot Mark Forbes, Gehilu
Kabisiyon Mayurat*

JUN 23 1999

MEMORANDUM

TO: Chairman
Committee on Housing, General Government Services and Foreign Affairs

FROM: Chairman *[Signature]*
Committee on Rules, Government Reform, Reorganization
and Federal Affairs

SUBJECT: Principal Referral – Bill No. 244

The above bill is referred to your Committee as the Principal Committee. In accordance with Section 6.04.05. of the Standing Rules, your Committee "shall be the Committee to perform the public hearing and have the authority to amend or substitute the bill, as well as report the bill out to the Body." It is recommended that you schedule a public hearing at your earliest convenience.

Thank you for your attention to this matter.

MARK FORBES

Attachment

[Handwritten signature]
6/23/99
3:25 PM

Henry 6/24 [Signature]

JUN 22 1999

MINA BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session

Bill No. 244 (LS)

Introduced by:

K. S. Moylan ✓

AN ACT TO AMEND SECTION 106205 OF
ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE
11 OF THE GUAM CODE ANNOTATED RELATIVE
TO REMOVING RESTRICTIONS IN THE
OWNERSHIP OF STOCKS OF A TERRITORIAL
BANK.

1 BE IT ENACTED BY THE PEOPLE OF Guam:

2 Section 1. Section 106205 of Article 2, Chapter 106, Division 2 of Title
3 21 of the Guam Code Annotate is hereby amended to read as follows:

4 "Section 106205. Incorporators. A territorial bank may be
5 organized by five (5) or more individual incorporators. All incorporators
6 shall be United States citizens and residents of Guam. Each incorporator
7 shall subscribe and pay in full in cash for stock having a par value of not
8 less than one-half of one percent (1/2 of 1%) of the minimum capital
9 and paid in surplus requirements. ~~Stock of a territorial bank may be~~
10 ~~legally and beneficially owned only by citizens of the United States,~~
11 ~~citizens of the Commonwealth of the Northern Mariana Islands or~~
12 ~~citizens of the former Trust Territory of the Pacific Islands, or by a bank~~
13 ~~holding company, whether or not such holding company is~~
14 ~~headquartered on Guam.~~

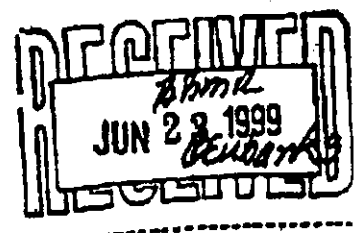


25th Guam Legislature

Suite 105
Business Building and Plaza #
777 Plaza #
Hagatna, Guam 96908
Phone: (671) 472-6000/4145
Fax: (671) 472-6000

The Office of
Senator Kaleo S. Moylan

Chairman, Committee on Housing, General Government Services and Foreign Affairs



June 24, 1999

MEMORANDUM

TO: Joseph Rivera, Acting Director, BEMR
FAX NO: 472-2825
FROM: Senator Kaleo S. Moylan
Chairman, Committee on Housing, General Government Services and Foreign Affairs
SUBJECT: Request for Fiscal Notes

Pursuant to Title 2, Chapter 9, GCA, please provide fiscal notes for the following bills by July 7, 1999.

Bill No. 101

AN ACT TO IDENTIFY ALL GOVERNMENT OF GUAM COMPUTERS THAT ARE NOT YIK COMPLIANT AND TO HAVE THESE ASSETS TRANSFERRED TO THE USE AND CUSTODY OF THE DEPARTMENT OF EDUCATION.

Bill No. 244

AN ACT TO AMEND SECTION 106205 OF ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE 11 OF THE GCA RELATIVE TO REMOVING RESTRICTIONS IN THE OWNERSHIP OF STOCKS OF A TERRITORIAL BANK.

Your usual attention is appreciated.

KALEO S. MOYLAN
Senator, 25th Guam Legislature

Attachments

PLEASE ACKNOWLEDGE RECEIPT OF THIS FAX AND FAX BACK TO 472-3440. THANK YOU.

RCVD BY: _____
Print Name Signature

DATE: _____ TIME: _____

JUN 2 1998

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session

JUN 23 PM 2 03

Bill No.

Introduced by:

K. S. Moylan

AN ACT TO AMEND SECTION 106205 OF
ARTICLE 2, CHAPTER 106, DIVISION 4 OF TITLE
11 OF THE GUAM CODE ANNOTATED RELATIVE
TO REMOVING RESTRICTIONS IN THE
OWNERSHIP OF STOCKS OF A TERRITORIAL
BANK.

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7 shall subscribe and pay in full in cash for stock having a par value of not
8 less than one-half of one percent (1/2 of 1%) of the minimum capital
9 and paid in surplus requirements. ~~Stock of a territorial bank may be~~
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11 ~~citizens of the Commonwealth of the Northern Mariana Islands or~~
12 ~~citizens of the former Trust Territory of the Pacific Islands, or by a bank~~
13 ~~holding company, whether or not such holding company is~~
14 ~~headquartered on Guam.~~