§ 258. Prohibition of unauthorized savings banks and use of the word "savings"; exception as to school savings. 1. No individual, partnership, unincorporated association or corporation other than a savings bank, state or federal chartered savings and loan association, bank, trust company, industrial bank, private banker, national bank, foreign banking corporation licensed pursuant to this chapter to transact in this state the business of receiving deposits or state and federal chartered credit unions shall make use of the word "saving" or "savings" or their equivalent in its banking or financial business, or use any advertisement containing the word "saving" or "savings", or their equivalent in relation to its banking or financial business, nor shall any individual or corporation other than a savings bank in any way solicit or receive deposits as a savings bank; but nothing herein shall be construed to prohibit the use of the word "savings" in the name of the Savings and Loan Bank of the State of New York or in the name of a trust company all of the stock of which is owned by not less than twenty savings banks. Any bank, trust company, industrial bank, private banker, national bank, foreign banking corporation, state or federal chartered credit unions, individual, partnership, unincorporated association or corporation violating this provision shall forfeit to the people of the state for every offense the sum of one hundred dollars for every day such offense shall be continued.

2. Any school in the state of New York may collect from time to time amounts of money from the pupils of such school and any philanthropic agency incorporated for philanthropic purposes, if such agency be so authorized by certificate of the superintendent of financial services, may collect from time to time amounts of money from the children or persons under the direction or guidance of, or the promotion of whose welfare is an object of, such philanthropic agency. As to each such school, such money shall be collected by or under the supervision of, the principal or superintendent of such school or by, or under the supervision of, any person designated for that purpose by the board of education or other authority having jurisdiction over such school. As to each such philanthropic agency, such money shall be collected by, or under the supervision of, the superintendent or other designated head of such agency. All money so collected shall, not later than the day

following the day of collection, be deposited in some savings bank in the state, be used for the purchase of shares in any savings and loan association organized under this law, or under the laws of the United States, whose principal office is located in the state of New York, or be deposited in any trust company or state or national bank located in the state and having an interest department. All money so collected from any person shall be deposited, or used to purchase shares, in his name; provided, however, that if the principal, superintendent, designated person or agency head by whom, or under whose supervision, such money was collected shall deem the amount of money so collected at any one time to be insufficient for the opening of individual accounts, such money shall be deposited, or used to purchase shares, in the name of such principal, superintendent, designated person or agency head, in trust, to be by him eventually transferred to the credit of the respective persons to whom the same belongs, and pending such transfer, said principal, superintendent, designated person or agency head shall furnish to the depositary institution or savings and loan association receiving such money the name, signature, address, age and place of birth of each person from whom such money was collected, and such other data concerning such person as the institution may require. Any depositary institution or savings and loan association authorized to receive any amounts collected by a school or philanthropic agency in accordance with this subdivision, may, on the request of any person authorized by this subdivision to collect such amounts for such school or philanthropic agency, send a collector to such school or philanthropic agency to receive and receipt for same. Any certificate of authorization issued to a philanthropic agency by the superintendent of financial services in accordance with this subdivision shall specify the period for which such authorization is to be effective and the area in which collections may be made, and may specify any other terms or conditions upon which such authorization is granted. Any such authorization may be terminated by the superintendent of financial services by written notice served upon the philanthropic agency or mailed to it at its last known address. As used in this subdivision with reference to the placing of amounts with a depositary institution or savings and loan association, the words "the day following the day of collection" shall mean the next day, after the day of collection, on

which such institution or association is open for business. As used in this subdivision, the words "philanthropic agency" shall be deemed to include, without limitation a corporation, not organized for profit, engaged in promoting the welfare of seamen.

3. Money, deposited pursuant to the provisions of subdivision two of this section and held by such banking organizations in the name of such principal, superintendent, designated person or agency head in a school district in a city having a population of more than one million, and under whose custodial authority said money has remained for a period of thirty years may be used by such a school district to establish a trust fund after due and diligent effort by such principal, superintendent, designated person, or agency head to locate and notify any such persons entitled to receive such property. The income of said trust fund shall be used to provide college scholarships to disadvantaged youth on a competitive basis pursuant to rules promulgated by the board of education of said district provided however that such scholarships shall not exceed the cost of attendance. Any person or persons entitled to receive such property shall be reimbursed from funds held in trust pursuant to this subdivision. A bank shall not be liable as a result of action taken under the provisions of this subdivision. Furthermore, no banking organization acting on the instructions of or otherwise dealing with any such principal, superintendent, designated person or agency head shall be responsible for determining whether any such person is acting in accordance with this section or is obliged to inquire into the validity or propriety of the actions or instructions executed by any such person or is bound to see to the application of any funds.