§ 509. Restrictions on powers of investment companies. An investment company shall not:

1. Exercise within this state the powers conferred by subdivision two of section five hundred eight of this chapter, unless it shall have a paid-up capital stock of at least two million dollars.

2. Deposit any of its funds with any other moneyed corporation unless such other corporation has been designated as such depositary by a vote of a majority of the directors of the investment company, exclusive of any director who is an officer, director or trustee of the depositary so designated; provided, however, that this limitation shall not apply to the deposit of funds by an investment company with another moneyed corporation, which owns all or a majority of the capital stock of such investment company.

3. Be the holder of any shares of its own capital stock unless such stock shall have been taken to prevent loss upon a debt previously contracted in good faith, and stock so acquired shall, within six months from the time of its acquisition, be sold or disposed of at public or private sale; nor shall it, either directly or indirectly, make any discount to any person for the purpose of enabling him to pay for or hold shares of its stock either subscribed for or purchased by him. Any investment company making any such discount shall forfeit to the people of the state twice the amount of such discount.

4. Except as provided in section five hundred eight of this article, engage in the business of receiving deposits; provided, however, that nothing contained in this article shall prevent an investment company from maintaining for the account of others credit balances incidental to, or arising out of, the exercise of its lawful powers, but the superintendent of financial services shall have power to prescribe, by specific or general regulation, the extent to which, and the conditions upon which, such credit balances may be established, maintained and paid out.