

State of Wisconsin



1995 Senate Bill 348

Date of enactment: **December 1, 1995**

Date of publication*: **December 4, 1995**

1995 WISCONSIN ACT 103

AN ACT *to renumber* 214.30 (1); *to amend* 214.04 (22), 214.095 (2), 214.305, 214.33 (2) (c), 214.49 (4), 214.49 (5) (intro.), 214.49 (8), 214.49 (9), 214.49 (12), 214.62 (1), 214.62 (2) (a), 214.62 (2) (b), 214.62 (2) (d), 214.62 (3), 214.62 (4) (a), 214.62 (4) (c), 214.625, 214.63, 214.65 (2) (a) and (b), 214.665 (1), 214.67, 214.755 (1) (c), 214.755 (2) and 214.93; *to repeal and recreate* 214.305, 214.345 (5), 214.345 (5), 214.49 (5) (intro.), 214.49 (12), 214.62 (3), 214.625, 214.63, 214.65 (2) (a) and (b), 214.665 (1), 214.67 and 214.93; and *to create* 214.30 (1) (b), 214.49 (9m), 214.685 (4) (d) and 214.755 (1m) of the statutes; **relating to:** savings bank chapter revisions and providing a penalty.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 214.04 (22) of the statutes is amended to read:

214.04 (22) To maintain real estate broker trust accounts under s. 452.13, attorney trust accounts under s. 757.293, collection agency trust accounts under s. 218.04 (9g), burial trust accounts under s. 445.125 and care funds and preneed trust funds under s. 157.19.

SECTION 2. 214.095 (2) of the statutes is amended to read:

214.095 (2) In order to effect a reorganization under sub. (1), the board of directors of the original savings bank shall approve a plan providing for the reorganization. The plan shall be submitted for approval by a majority of ~~the voting~~ all votes entitled to be cast by members or stockholders of the savings bank at a meeting held in accordance with the savings bank's articles of incorporation and bylaws.

SECTION 3. 214.30 (1) of the statutes is renumbered 214.30 (1) (a).

SECTION 4. 214.30 (1) (b) of the statutes is created to read:

214.30 (1) (b) A member has the right to share in the net profit of a mutual savings bank, after payment of creditors, if the savings bank liquidates. This right does not permit a member to claim a share of net profits absent a liquidation and does not permit a member to seek liquidation except in any manner permitted by the mutual savings bank's articles of incorporation or bylaws.

SECTION 5. 214.305 of the statutes is amended to read:

214.305 Annual and special meetings. The date of the annual meeting of members or stockholders shall be specified in the bylaws. Failure to hold an annual meeting may not cause a dissolution of the savings bank. Special meetings may be called by the board of directors, by stockholders of not less than 20% of the outstanding stock, by members constituting not less than 20% of the eligible votes or by any other person designated in the bylaws. The commissioner may call a special meeting with not less than 7 days' written or oral notice. An annual or special meeting shall be held at the home office of the

* Section 991.11, WISCONSIN STATUTES 1993-94: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

savings bank or ~~in~~ at another place within ~~the same~~ a county in which the savings bank maintains an office if specifically designated in the notice of the meeting.

SECTION 6. 214.305 of the statutes, as affected by 1995 Wisconsin Acts 27 and (this act), is repealed and recreated to read:

214.305 Annual and special meetings. The date of the annual meeting of members or stockholders shall be specified in the bylaws. Failure to hold an annual meeting may not cause a dissolution of the savings bank. Special meetings may be called by the board of directors, by stockholders of not less than 20% of the outstanding stock, by members constituting not less than 20% of the eligible votes or by any other person designated in the bylaws. The division may call a special meeting with not less than 7 days' written or oral notice. An annual or special meeting shall be held at the home office of the savings bank or at another place within a county in which the savings bank maintains an office if specifically designated in the notice of the meeting.

SECTION 7. 214.33 (2) (c) of the statutes is amended to read:

214.33 (2) (c) For any meeting at which the member or stockholder who gave a proxy is present, provided that before the taking of any vote, notice of the member's or stockholder's attendance and intention to vote at the meeting is given by that person to an official whom the savings bank shall identify at the meeting as having responsibility for maintaining a record of attendance.

SECTION 8. 214.345 (5) of the statutes is repealed and recreated to read:

214.345 (5) (a) Subject to the approval of the commissioner, a savings bank's bylaws shall provide for reasonable indemnification to its officers, directors and employees in connection with the faithful performance of their duties for the savings bank. For stock savings banks, the provisions shall be consistent with those under ss. 180.0850 to 180.0859. For mutual savings banks, the provisions shall be consistent with those under ss. 215.512 to 215.525.

(b) The provisions relating to the limited liability of directors under s. 180.0828, as they apply to a director of a corporation, apply to a director of a stock savings bank. The provisions relating to the limited liability of directors and officers under s. 215.525, as they apply to a director or officer of a mutual savings and loan association, apply to a director or officer of a mutual savings bank.

SECTION 9. 214.345 (5) of the statutes, as affected by 1995 Wisconsin Acts 27 and (this act), is repealed and recreated to read:

214.345 (5) (a) Subject to the approval of the division, a savings bank's bylaws shall provide for reasonable indemnification to its officers, directors and employees in connection with the faithful performance of their duties for the savings bank. For stock savings banks, the provisions shall be consistent with those under

ss. 180.0850 to 180.0859. For mutual savings banks, the provisions shall be consistent with those under ss. 215.512 to 215.525.

(b) The provisions relating to the limited liability of directors under s. 180.0828, as they apply to a director of a corporation, apply to a director of a stock savings bank. The provisions relating to the limited liability of directors and officers under s. 215.525, as they apply to a director or officer of a mutual savings and loan association, apply to a director or officer of a mutual savings bank.

SECTION 10. 214.49 (4) of the statutes is amended to read:

214.49 (4) In bonds, notes or other evidences of indebtedness which are a general obligation of any city, town, village, county, technical college district or school district in this state. ~~The total liability of any such~~ A savings bank's total investments in a local governmental unit may not at any time exceed 50% of the capital of the savings bank. ~~The~~ A savings bank's total amount of investment in temporary borrowings of ~~any such~~ a local governmental unit maturing within one year from the date of issue may not exceed 60% of the capital of the savings bank. Temporary borrowings and longer-term general obligation borrowings of a single local governmental unit may be considered separately in arriving at the limitations under this subsection.

SECTION 11. 214.49 (5) (intro.) of the statutes is amended to read:

214.49 (5) (intro.) With the prior written consent of the commissioner, ~~a savings bank may invest~~ in the initial purchase and development, or the purchase or commitment to purchase after completion, of home sites and housing for sale or rental, including projects for the reconstruction, rehabilitation or rebuilding of residential properties to meet the minimum standards of health and occupancy prescribed by a local governmental unit, the provision of accommodations for retail stores, shops and other community services that are reasonably incident to that housing, or in the stock of a corporation that owns one or more of those projects and that is wholly owned by one or more financial institutions. The total investment in any one project may not exceed 15% of the savings bank's capital, nor may the aggregate investment under this subsection exceed 50% of its capital. A savings bank may not make an investment under this subsection unless it is in compliance with the capital requirements under s. 214.43 and with the capital maintenance requirements of its deposit insurance corporation. The commissioner may approve the investment only if the savings bank shows all of the following:

SECTION 12. 214.49 (5) (intro.) of the statutes, as affected by 1995 Wisconsin Acts 27 and (this act), is repealed and recreated to read:

214.49 (5) (intro.) With the prior written consent of the division, in the initial purchase and development, or the purchase or commitment to purchase after comple-

tion, of home sites and housing for sale or rental, including projects for the reconstruction, rehabilitation or rebuilding of residential properties to meet the minimum standards of health and occupancy prescribed by a local governmental unit, the provision of accommodations for retail stores, shops and other community services that are reasonably incident to that housing, or in the stock of a corporation that owns one or more of those projects and that is wholly owned by one or more financial institutions. The total investment in any one project may not exceed 15% of the savings bank's capital, nor may the aggregate investment under this subsection exceed 50% of its capital. A savings bank may not make an investment under this subsection unless it is in compliance with the capital requirements under s. 214.43 and with the capital maintenance requirements of its deposit insurance corporation. The division may approve the investment only if the savings bank shows all of the following:

SECTION 13. 214.49 (8) of the statutes is amended to read:

214.49 (8) In short-term commercial paper having a maturity from 2 to 270 days issued by a financial institution, corporation or other borrower. An investment under this subsection shall be in securities rated in one of the 4 2 highest categories by a nationally recognized rating service.

SECTION 14. 214.49 (9) of the statutes is amended to read:

214.49 (9) ~~A savings bank may purchase shares of, or otherwise acquire~~ In an equity interest in, an insurance company ~~and in or~~ an insurance holding company organized to provide insurance for savings banks and persons affiliated with savings banks solely to the extent that ownership is a prerequisite to obtaining directors' and officers' insurance or blanket bond insurance for the savings bank through the company.

SECTION 15. 214.49 (9m) of the statutes is created to read:

214.49 (9m) In shares of stock, whether purchased or otherwise acquired, in a corporation acquiring, placing and operating remote service units under s. 214.04 (21).

SECTION 16. 214.49 (12) of the statutes is amended to read:

214.49 (12) ~~In~~ With the prior written approval of the commissioner, in financial futures transactions, financial options transactions, forward commitments or other financial products for the purpose of reducing, hedging or otherwise managing its interest rate risk exposure.

SECTION 17. 214.49 (12) of the statutes, as affected by 1995 Wisconsin Act (this act), is repealed and recreated to read:

214.49 (12) With the prior written approval of the division, in financial futures transactions, financial options transactions, forward commitments or other financial

products for the purpose of reducing, hedging or otherwise managing its interest rate risk exposure.

SECTION 18. 214.62 (1) of the statutes is amended to read:

214.62 (1) A financial institution may merge ~~into~~ with a savings bank. The board of directors of the merging financial institution and of the savings bank, by resolution adopted by a vote of at least two-thirds of the members of each board, shall approve the plan of merger.

SECTION 19. 214.62 (2) (a) of the statutes is amended to read:

214.62 (2) (a) The name of each merging financial institution, the name of the resulting ~~savings bank~~ financial institution, the location of the resulting home office and the location of other resulting offices.

SECTION 20. 214.62 (2) (b) of the statutes is amended to read:

214.62 (2) (b) With respect to the resulting ~~savings bank~~ financial institution, the amount of capital, surplus, and reserve for operating expenses; the classes and the number of shares of stock, if a stock ~~savings bank~~ financial institution; the articles of incorporation and bylaws of the resulting ~~savings bank~~ financial institution; and a detailed financial statement showing the assets and liabilities after the proposed merger.

SECTION 21. 214.62 (2) (d) of the statutes is amended to read:

214.62 (2) (d) Provisions governing the manner of disposing of any shares of stock of the resulting ~~savings bank~~ financial institution that are not taken by dissenting stockholders of a merging financial institution.

SECTION 22. 214.62 (3) of the statutes is amended to read:

214.62 (3) After approval by the board of directors of ~~the each~~ merging financial institution ~~and of the savings bank~~, the merger agreement shall be submitted to the commissioner for approval, together with a certified copy of the authorizing resolution of each board of directors. Before issuing approval, the commissioner may examine the affairs of each merging financial institution and its affiliates and subsidiaries, the expense of which is to be paid by the merging financial institution.

SECTION 23. 214.62 (3) of the statutes, as affected by 1995 Wisconsin Acts 27 and (this act), is repealed and recreated to read:

214.62 (3) After approval by the board of directors of each merging financial institution, the merger agreement shall be submitted to the division for approval, together with a certified copy of the authorizing resolution of each board of directors. Before issuing approval, the division may examine the affairs of each merging financial institution and its affiliates and subsidiaries, the expense of which is to be paid by the merging financial institution.

SECTION 24. 214.62 (4) (a) of the statutes is amended to read:

214.62 (4) (a) The resulting savings bank, if any, meets the requirements of this chapter for the formation of a new savings bank.

SECTION 25. 214.62 (4) (c) of the statutes is amended to read:

214.62 (4) (c) The resulting savings bank, if any, will be operated in a safe and sound manner.

SECTION 26. 214.625 of the statutes is amended to read:

214.625 (title) Merger; stockholder vote of approval. If approved by the commissioner, the plan of merger shall be submitted to the ~~members or~~ stockholders of each merging stock financial institution for approval. A meeting of the ~~members or~~ stockholders of a savings bank shall be called and held in accordance with ss. 214.305 and 214.31. The plan is approved if it receives the affirmative vote of the majority of the total votes entitled to be cast by stockholders.

SECTION 27. 214.625 of the statutes, as affected by 1995 Wisconsin Acts 27 and ... (this act), is repealed and recreated to read:

214.625 Merger; stockholder vote of approval. If approved by the division, the plan of merger shall be submitted to the stockholders of each merging stock financial institution for approval. A meeting of the stockholders of a savings bank shall be called and held in accordance with ss. 214.305 and 214.31. The plan is approved if it receives the affirmative vote of the majority of the total votes entitled to be cast by stockholders.

SECTION 28. 214.63 of the statutes is amended to read:

214.63 Merger; commissioner's certificate. The executed merger agreement, together, in the case of a stock financial institution, with a certified copy of the minutes of the meeting of ~~members or~~ stockholders of each merging stock financial institution approving the merger agreement, shall be filed with the commissioner. The commissioner shall issue to the resulting savings bank a certificate of merger, setting forth the name of each merging financial institution, the name of the resulting savings bank and the date on which the commissioner approves the articles of incorporation and bylaws of the resulting savings bank. The merger takes effect on the date of the recording of the certificate or a later date if the certificate provides for a different date. Recording shall be completed in the same manner as required for savings bank articles of incorporation, in each county in which the home office of any of the merging financial institutions was located and in the county in which the home office of the resulting savings bank is located. The certificate shall be conclusive evidence of the merger and of the correctness of the merger proceedings except against this state.

SECTION 29. 214.63 of the statutes, as affected by 1995 Wisconsin Acts 27 and ... (this act), is repealed and recreated to read:

214.63 Merger; certificate. The executed merger agreement, together, in the case of a stock financial institution, with a certified copy of the minutes of the meeting of stockholders of each merging stock financial institution approving the merger agreement, shall be filed with the division. The division shall issue to the resulting savings bank a certificate of merger, setting forth the name of each merging financial institution, the name of the resulting savings bank and the date on which the division approves the articles of incorporation and bylaws of the resulting savings bank. The merger takes effect on the date of the recording of the certificate or a later date if the certificate provides for a different date. Recording shall be completed in the same manner as required for savings bank articles of incorporation, in each county in which the home office of any of the merging financial institutions was located and in the county in which the home office of the resulting savings bank is located. The certificate shall be conclusive evidence of the merger and of the correctness of the merger proceedings except against this state.

SECTION 30. 214.65 (2) (a) and (b) of the statutes are amended to read:

214.65 (2) (a) The board of directors shall adopt by a two-thirds majority vote of all directors a resolution setting forth the terms of the proposed sale and shall submit the plan to the commissioner for preliminary approval. Upon receipt of approval by the commissioner, ~~the plan a stock savings bank shall be submitted~~ submit the plan to a vote of the ~~members or~~ stockholders at a special or annual meeting.

(b) The proposed sale is approved by the ~~members or~~ stockholders if it receives an affirmative vote from a majority of the total number of votes that are entitled to cast. A proposal for the voluntary liquidation of the savings bank may be submitted to the ~~members or~~ stockholders at the same meeting or at any later meeting called for that purpose. A certified summary of proceedings setting forth the terms of the proposed sale, the form and timing of the notice given, the vote on the proposal and the total number of votes entitled to cast shall be filed with the commissioner.

SECTION 31. 214.65 (2) (a) and (b) of the statutes, as affected by 1995 Wisconsin Acts 27 and ... (this act), are repealed and recreated to read:

214.65 (2) (a) The board of directors shall adopt by a two-thirds majority vote of all directors a resolution setting forth the terms of the proposed sale and shall submit the plan to the division for preliminary approval. Upon receipt of approval by the division, a stock savings bank shall submit the plan to a vote of the stockholders at a special or annual meeting.

(b) The proposed sale is approved by the stockholders if it receives an affirmative vote from a majority of the total number of votes that are entitled to cast. A proposal for the voluntary liquidation of the savings bank may be submitted to the stockholders at the same meeting or at any later meeting called for that purpose. A certified summary of proceedings setting forth the terms of the proposed sale, the form and timing of the notice given, the vote on the proposal and the total number of votes entitled to cast shall be filed with the division.

SECTION 32. 214.665 (1) of the statutes is amended to read:

214.665 (1) With the prior approval of the commissioner, which shall state that the proposed merger is necessary for the protection of depositors and other creditors, a savings bank that is in default or in danger of default may, by a majority vote of its board of directors and without a stockholder vote of its members or stockholders, merge with another savings bank, a state or federal savings and loan association, a state bank or a federal bank. The other entity shall be the resulting or continuing savings bank, savings and loan association or bank.

SECTION 33. 214.665 (1) of the statutes, as affected by 1995 Wisconsin Acts 27 and (this act), is repealed and recreated to read:

214.665 (1) With the prior approval of the division, which shall state that the proposed merger is necessary for the protection of depositors and other creditors, a savings bank that is in default or in danger of default may, by a majority vote of its board of directors and without a stockholder vote, merge with another savings bank, a state or federal savings and loan association, a state bank or a federal bank. The other entity shall be the resulting or continuing savings bank, savings and loan association or bank.

SECTION 34. 214.67 of the statutes is amended to read:

214.67 Emergency sale of assets. (1) With the prior approval of the commissioner, which shall state that the proposed sale is necessary for the protection of depositors and other creditors, a savings bank may, by a majority vote of its board of directors and, notwithstanding s. 214.65 (1), without a stockholder vote of its members or stockholders, sell all or any part of its assets to another savings bank, a state or federal savings and loan association, a state bank or a national bank if the savings bank, savings and loan association or bank assumes in writing all of the liabilities of the selling savings bank or to a deposit insurance corporation.

(2) A savings bank may sell to a savings bank, state or federal savings and loan association, state bank or federal bank an insubstantial portion of its total deposits as described in 12 USC 1815 5 (d) (2) (D). Approval of the sale shall be by a majority vote of the board of directors and, with approval of the commissioner and notwith-

standing s. 214.65 (1), may be without a stockholder vote of its members or stockholders.

SECTION 35. 214.67 of the statutes, as affected by 1995 Wisconsin Acts 27 and (this act), is repealed and recreated to read:

214.67 Emergency sale of assets. (1) With the prior approval of the division, which shall state that the proposed sale is necessary for the protection of depositors and other creditors, a savings bank may, by a majority vote of its board of directors and, notwithstanding s. 214.65 (1), without a stockholder vote, sell all or any part of its assets to another savings bank, a state or federal savings and loan association, a state bank or a national bank if the savings bank, savings and loan association or bank assumes in writing all of the liabilities of the selling savings bank or to a deposit insurance corporation.

(2) A savings bank may sell to a savings bank, state or federal savings and loan association, state bank or federal bank an insubstantial portion of its total deposits as described in 12 USC 1815 5 (d) (2) (D). Approval of the sale shall be by a majority vote of the board of directors and, with approval of the division and notwithstanding s. 214.65 (1), may be without a stockholder vote.

SECTION 35m. 214.685 (4) (d) of the statutes is created to read:

214.685 (4) (d) Does not permit members of the board of directors to acquire stock in the converting savings bank under terms that are different from the terms offered to depositors, except that a director who is an employe may participate in any tax qualified retirement plan acquiring stock in the converting savings bank.

SECTION 36. 214.755 (1) (c) of the statutes is amended to read:

214.755 (1) (c) Law A court, or law enforcement or prosecutorial agencies ~~or a court for use in investigating or prosecuting a crime involving that information.~~

SECTION 37. 214.755 (1m) of the statutes is created to read:

214.755 (1m) The officers or employes of a savings bank may not disclose the contents of an examination report except to any of the following:

(a) A court, or law enforcement or prosecutorial agencies for use in investigating or prosecuting a crime involving the contents of the report.

(b) The savings bank's attorneys, independent certified public accountants or other professional advisers.

(c) The savings bank's deposit insurance corporation.

SECTION 38. 214.755 (2) of the statutes is amended to read:

214.755 (2) An individual who violates sub. (1) or (1m) shall forfeit his or her office or position.

SECTION 39. 214.93 of the statutes is amended to read:

214.93 False statements. A person may not knowingly make, cause, or allow another person to make or cause to be made, a false statement, under oath if required by this chapter or on any report or statement required by the commissioner or by this chapter. In addition to any forfeiture under s. 214.935, a person who violates this section may be imprisoned for not more than 20 years.

SECTION 40. 214.93 of the statutes, as affected by 1995 Wisconsin Acts 27 and ... (this act), is repealed and recreated to read:

214.93 False statements. A person may not knowingly make, cause, or allow another person to make or cause to be made, a false statement, under oath if required by this chapter or on any report or statement required by the division or by this chapter. In addition to any forfei-

ture under s. 214.935, a person who violates this section may be imprisoned for not more than 20 years.

SECTION 41. Initial applicability.

(1) FALSE STATEMENT PENALTY. The amendment of section 214.93 of the statutes first applies to a false statement made on the effective date of this subsection.

SECTION 42. Effective dates. This act takes effect on the day after publication, except as follows:

(1) The repeal and recreation of sections 214.305, 214.345 (5) (by SECTION 8), 214.49 (5) (intro.) and (12), 214.62 (3), 214.625, 214.63, 214.65 (2) (a) and (b), 214.665 (1), 214.67 and 214.93 of the statutes takes effect on July 1, 1996, or on the day after publication, whichever is later.
