



1995 ASSEMBLY BILL 596

October 2, 1995 - Introduced by Representatives KAUFERT, GARD, OLSEN, GOETSCH, GREEN, KREIBICH, LEHMAN, HAHN, VRAKAS, SERATTI, GROTHMAN and WARD, cosponsored by Senator DARLING, by request of Commissioner of Savings and Loan. Referred to Committee on Financial Institutions.

1 **AN ACT to renumber** 214.30 (1); **to amend** 214.04 (22), 214.095 (2), 214.305,
2 214.33 (2) (c), 214.485 (9), 214.49 (4), 214.49 (5) (intro.), 214.49 (8), 214.49 (9),
3 214.49 (12), 214.49 (14), 214.49 (15), 214.545, 214.625, 214.63, 214.65 (2) (a) and
4 (b), 214.665 (1), 214.67, 214.755 (2), 214.76 (4m) and 214.93; **to repeal and**
5 **recreate** 214.305, 214.345 (5), 214.345 (5), 214.485 (9), 214.49 (5) (intro.),
6 214.49 (12), 214.49 (14), 214.49 (15), 214.545, 214.625, 214.63, 214.65 (2) (a) and
7 (b), 214.665 (1), 214.67 and 214.93; and **to create** 214.30 (1) (b), 214.49 (9m),
8 214.755 (1m) and 214.76 (4m) of the statutes; **relating to:** savings bank
9 chapter revisions, providing an exemption from rule-making procedures and
10 providing a penalty.

Analysis by the Legislative Reference Bureau

This bill makes several revisions to the savings bank chapter created by 1991 Wisconsin Act 221. The revisions include:

1. Permitting a savings bank to make consumer loans in a total amount that is greater than 10% of the savings bank's total assets, if the commissioner of savings and loan (the regulating authority) authorizes the lending. Currently, the 10% limit may not be exceeded.

2. Permitting a savings bank to maintain collection agency trust accounts.

3. Extending provisions that provide reasonable indemnification to directors, officers and employees to also provide limitations on the liability of directors and officers in connection with their duties and eliminating certain types of proceedings for which indemnification is not extended.

4. Providing for imprisonment for up to 20 years as a penalty for making a false statement or report under the chapter. Civil forfeitures are the only penalties that currently apply to false statements.

5. Requiring members or stockholders of a savings bank who previously gave a proxy for their votes to disclose their intention to vote personally, instead of by proxy, if they attend a meeting at which a vote will be taken.

6. Changing the approval process for savings bank reorganizations. Currently, for most issues affecting a savings bank, a member or shareholder that is entitled to vote on the issue holds one vote for every \$100 of deposits in the savings bank. An exception to this rule involves a savings bank reorganization. Current law says that a savings bank reorganization must be approved by a majority of all voting members or shareholders. The bill revises this procedure by specifying that a savings bank reorganization must be approved by a majority of all votes entitled to be cast.

7. Permitting a savings bank to hold an annual or special meeting of members or stockholders at the home office of the savings bank or at another location in a county in which the savings bank maintains an office. Currently, annual or special meetings may be held at the home office or at another location in the county in which the home office is located.

8. Providing that members of a mutual savings bank have the right to share in the net profit of the bank, after payment of creditors, if the bank liquidates.

9. Making various changes to permissible investments for savings banks. Under current law, savings banks may invest in short-term commercial paper if the paper is rated in one of the 4 highest categories by a nationally recognized rating service. This provision is amended to require that the paper be rated in the 2 highest categories. A new provision is added authorizing savings banks to invest in shares of stock in a corporation providing the savings bank with electronic banking or other electronic financial services. Current law allows savings banks to invest in financial forwards, futures, options and other financial products for the purpose of reducing, hedging or otherwise managing its interest rate risk exposure. Except for forward contracts, this bill requires prior written approval of the commissioner before a savings bank may invest in these instruments. Current law permits a savings bank to invest in marketable investment securities, if the total amount of these securities of any one issuer does not exceed 5% of the savings bank's capital. This bill changes the percentage limit to 10%. Current law also limits the total aggregate amount of these types of investment to 15% of the savings bank's capital. This bill lowers this percentage threshold to 10%, but allows savings banks to exceed this amount with the prior written approval of the commissioner.

10. Changing the commissioner's authority with respect to setting permissible levels of investment and permissible concentrations of assets of savings banks. Current law allows the commissioner to determine these permissible levels and concentrations of assets by rule. This bill provides that these maximum levels and concentrations need not be set by rule.

11. Changing certain provisions in current law regarding mergers of savings banks so that they only apply to mergers of stock savings banks.

12. Prohibiting officers or employes of a savings bank from disclosing the contents of an examination report except to law enforcement or prosecutorial agencies, courts, their attorneys and accountants, and the saving bank's deposit insurance corporation. Persons who violate this prohibition forfeit their office or position.

13. Authorizing the commissioner to order an audit of a savings bank at any time the commissioner considers it advisable. The savings bank is required to pay for the cost of the audit and to file a copy of the audit report with the commissioner. Current law requires savings banks to conduct annual audits. This bill authorizes the commissioner to conduct the audit, if requested by the savings bank's board of directors. The commissioner is required to charge the savings bank for the audit the same rate as for examinations by the commissioner.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

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

2 214.04 (22) To maintain real estate broker trust accounts under s. 452.13,
3 attorney trust accounts under s. 757.293, collection agency trust accounts under s.
4 218.04 (9g), burial trust accounts under s. 445.125 and care funds and preneed trust
5 funds under s. 157.19.

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

7 214.095 (2) In order to effect a reorganization under sub. (1), the board of
8 directors of the original savings bank shall approve a plan providing for the
9 reorganization. The plan shall be submitted for approval by a majority of ~~the voting~~
10 all votes entitled to be cast by members or stockholders of the savings bank at a
11 meeting held in accordance with the savings bank's articles of incorporation and
12 bylaws.

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

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

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

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

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

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

19 **214.305 Annual and special meetings.** The date of the annual meeting of
20 members or stockholders shall be specified in the bylaws. Failure to hold an annual
21 meeting may not cause a dissolution of the savings bank. Special meetings may be
22 called by the board of directors, by stockholders of not less than 20% of the
23 outstanding stock, by members constituting not less than 20% of the eligible votes
24 or by any other person designated in the bylaws. The division may call a special
25 meeting with not less than 7 days' written or oral notice. An annual or special

1 meeting shall be held at the home office of the savings bank or at another place within
2 a county in which the savings bank maintains an office if specifically designated in
3 the notice of the meeting.

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

5 214.33 (2) (c) For any meeting at which the member or stockholder who gave
6 a proxy is present, provided that before the taking of any vote, notice of the member's
7 or stockholder's attendance and intention to vote at the meeting is given by that
8 person to an official whom the savings bank shall identify at the meeting as having
9 responsibility for maintaining a record of attendance.

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

11 214.345 (5) (a) Subject to the approval of the commissioner, a savings bank's
12 bylaws shall provide for reasonable indemnification to its officers, directors and
13 employes in connection with the faithful performance of their duties for the savings
14 bank. For stock savings banks, the provisions shall be consistent with those under
15 ss. 180.0850 to 180.0859. For mutual savings banks, the provisions shall be
16 consistent with those under ss. 215.512 to 215.525.

17 (b) The provisions relating to the limited liability of directors under s. 180.0828,
18 as they apply to a director of a corporation, apply to a director of a stock savings bank.
19 The provisions relating to the limited liability of directors and officers under s.
20 215.525, as they apply to a director or officer of a mutual savings and loan
21 association, apply to a director or officer of a mutual savings bank.

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

24 214.345 (5) (a) Subject to the approval of the division, a savings bank's bylaws
25 shall provide for reasonable indemnification to its officers, directors and employes

1 in connection with the faithful performance of their duties for the savings bank. For
2 stock savings banks, the provisions shall be consistent with those under ss. 180.0850
3 to 180.0859. For mutual savings banks, the provisions shall be consistent with those
4 under ss. 215.512 to 215.525.

5 (b) The provisions relating to the limited liability of directors under s. 180.0828,
6 as they apply to a director of a corporation, apply to a director of a stock savings bank.

7 The provisions relating to the limited liability of directors and officers under s.
8 215.525, as they apply to a director or officer of a mutual savings and loan
9 association, apply to a director or officer of a mutual savings bank.

10 **SECTION 10.** 214.485 (9) of the statutes is amended to read:

11 214.485 (9) Through secured or unsecured loans for personal, family or
12 household purposes if the total of all loans granted under this subsection does not
13 exceed 10% of the savings bank's total assets, unless a greater amount is authorized
14 in writing by the commissioner.

15 **SECTION 11.** 214.485 (9) of the statutes, as affected by 1995 Wisconsin Act ...
16 (this act), is repealed and recreated to read:

17 214.485 (9) Through secured or unsecured loans for personal, family or
18 household purposes if the total of all loans granted under this subsection does not
19 exceed 10% of the savings bank's total assets, unless a greater amount is authorized
20 in writing by the division.

21 **SECTION 12.** 214.49 (4) of the statutes is amended to read:

22 214.49 (4) In bonds, notes or other evidences of indebtedness which are a
23 general obligation of any city, town, village, county, technical college district or school
24 district in this state. ~~The total liability of any such~~ A savings bank's total
25 investments in a local governmental unit may not at any time exceed 50% of the

1 capital of the savings bank. ~~The A savings bank's total amount of investment in~~
2 ~~temporary borrowings of any such a~~ local governmental unit maturing within one
3 year from the date of issue may not exceed 60% of the capital of the savings bank.

4 Temporary borrowings and longer-term general obligation borrowings of a single
5 local governmental unit may be considered separately in arriving at the limitations
6 under this subsection.

7 **SECTION 13.** 214.49 (5) (intro.) of the statutes is amended to read:

8 214.49 (5) (intro.) With the prior written consent of the commissioner, ~~a savings~~
9 ~~bank may invest~~ in the initial purchase and development, or the purchase or
10 commitment to purchase after completion, of home sites and housing for sale or
11 rental, including projects for the reconstruction, rehabilitation or rebuilding of
12 residential properties to meet the minimum standards of health and occupancy
13 prescribed by a local governmental unit, the provision of accommodations for retail
14 stores, shops and other community services that are reasonably incident to that
15 housing, or in the stock of a corporation that owns one or more of those projects and
16 that is wholly owned by one or more financial institutions. The total investment in
17 any one project may not exceed 15% of the savings bank's capital, nor may the
18 aggregate investment under this subsection exceed 50% of its capital. A savings
19 bank may not make an investment under this subsection unless it is in compliance
20 with the capital requirements under s. 214.43 and with the capital maintenance
21 requirements of its deposit insurance corporation. The commissioner may approve
22 the investment only if the savings bank shows all of the following:

23 **SECTION 14.** 214.49 (5) (intro.) of the statutes, as affected by 1995 Wisconsin
24 Acts 27 and (this act), is repealed and recreated to read:

1 214.49 (5) (intro.) With the prior written consent of the division, in the initial
2 purchase and development, or the purchase or commitment to purchase after
3 completion, of home sites and housing for sale or rental, including projects for the
4 reconstruction, rehabilitation or rebuilding of residential properties to meet the
5 minimum standards of health and occupancy prescribed by a local governmental
6 unit, the provision of accommodations for retail stores, shops and other community
7 services that are reasonably incident to that housing, or in the stock of a corporation
8 that owns one or more of those projects and that is wholly owned by one or more
9 financial institutions. The total investment in any one project may not exceed 15%
10 of the savings bank's capital, nor may the aggregate investment under this
11 subsection exceed 50% of its capital. A savings bank may not make an investment
12 under this subsection unless it is in compliance with the capital requirements under
13 s. 214.43 and with the capital maintenance requirements of its deposit insurance
14 corporation. The division may approve the investment only if the savings bank
15 shows all of the following:

16 **SECTION 15.** 214.49 (8) of the statutes is amended to read:

17 214.49 (8) In short-term commercial paper having a maturity from 2 to 270
18 days issued by a financial institution, corporation or other borrower. An investment
19 under this subsection shall be in securities rated in one of the ~~4~~ 2 highest categories
20 by a nationally recognized rating service.

21 **SECTION 16.** 214.49 (9) of the statutes is amended to read:

22 214.49 (9) ~~A savings bank may purchase shares of, or otherwise acquire~~ In an
23 equity interest in, an insurance company ~~and in~~ or an insurance holding company
24 organized to provide insurance for savings banks and persons affiliated with savings
25 banks solely to the extent that ownership is a prerequisite to obtaining directors' and

1 officers' insurance or blanket bond insurance for the savings bank through the
2 company.

3 **SECTION 17.** 214.49 (9m) of the statutes is created to read:

4 214.49 (9m) In shares of stock, whether purchased or otherwise acquired, in
5 a corporation providing the savings bank with electronic banking or other electronic
6 financial services.

7 **SECTION 18.** 214.49 (12) of the statutes is amended to read:

8 214.49 (12) In forward commitments and, with the prior written approval of
9 the commissioner, in financial futures transactions, financial options transactions,
10 ~~forward commitments~~ or other financial products for the purpose of reducing,
11 hedging or otherwise managing its interest rate risk exposure.

12 **SECTION 19.** 214.49 (12) of the statutes, as affected by 1995 Wisconsin Act
13 (this act), is repealed and recreated to read:

14 214.49 (12) In forward commitments and, with the prior written approval of
15 the division, in financial futures transactions, financial options transactions or other
16 financial products for the purpose of reducing, hedging or otherwise managing its
17 interest rate risk exposure.

18 **SECTION 20.** 214.49 (14) of the statutes is amended to read:

19 214.49 (14) In marketable investment securities, if the total amount of those
20 securities of any one issuer or obligor does not exceed ~~5%~~ 10% of the savings bank's
21 capital and ~~the~~. The aggregate amount of investments under this subsection does
22 combined with other commercial loans may not exceed 15% 10% of capital ~~the~~
23 savings bank's total assets without the prior written approval of the commissioner.

24 **SECTION 21.** 214.49 (14) of the statutes, as affected by 1995 Wisconsin Act
25 (this act), is repealed and recreated to read:

1 214.49 (14) In marketable investment securities, if the total amount of those
2 securities of any one issuer or obligor does not exceed 10% of the savings bank's
3 capital. The aggregate amount of investments under this subsection combined with
4 other commercial loans may not exceed 10% of the savings bank's total assets
5 without the prior written approval of the division.

6 **SECTION 22.** 214.49 (15) of the statutes is amended to read:

7 214.49 (15) In any other investment authorized by rule of the commissioner,
8 The commissioner need not promulgate lists of authorized investments as rules
9 under ch. 227.

10 **SECTION 23.** 214.49 (15) of the statutes, as affected by 1995 Wisconsin Acts 27
11 and (this act), is repealed and recreated to read:

12 214.49 (15) In any other investment authorized by the division. The division
13 need not promulgate lists of authorized investments as rules under ch. 227.

14 **SECTION 24.** 214.545 of the statutes is amended to read:

15 **214.545** (title) **Rules Permissible levels of investments.** The
16 commissioner shall ~~promulgate rules to~~ determine permissible levels of investment
17 and permissible concentrations of assets for savings banks that apply to all lending
18 and investment authority under this subchapter. The rules commissioner shall give
19 due regard to capital adequacy, operating income, underwriting standards, risk
20 inherent in the investment or loan, and competitive parity with other financial
21 institutions when setting permissible levels. The commissioner need not promulgate
22 permissible levels of investment or permissible concentrations of assets as rules
23 under ch. 227.

24 **SECTION 25.** 214.545 of the statutes, as affected by 1995 Wisconsin Acts 27 and
25 (this act), is repealed and recreated to read:

1 **214.545 Permissible levels of investments.** The division shall determine
2 permissible levels of investment and permissible concentrations of assets for savings
3 banks that apply to all lending and investment authority under this subchapter. The
4 division shall give due regard to capital adequacy, operating income, underwriting
5 standards, risk inherent in the investment or loan, and competitive parity with other
6 financial institutions when setting permissible levels. The division need not
7 promulgate permissible levels of investment or permissible concentrations of assets
8 as rules under ch. 227.

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

10 **214.625 (title) Merger; stockholder vote of approval.** If approved by the
11 commissioner, the plan of merger shall be submitted to the ~~members or~~ stockholders
12 of each merging stock financial institution for approval. A meeting of the ~~members~~
13 ~~or~~ stockholders of a savings bank shall be called and held in accordance with ss.
14 214.305 and 214.31. The plan is approved if it receives the affirmative vote of the
15 majority of the total votes entitled to be cast.

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

18 **214.625 Merger; stockholder vote of approval.** If approved by the division,
19 the plan of merger shall be submitted to the stockholders of each merging stock
20 financial institution for approval. A meeting of the stockholders of a savings bank
21 shall be called and held in accordance with ss. 214.305 and 214.31. The plan is
22 approved if it receives the affirmative vote of the majority of the total votes entitled
23 to be cast.

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

1 **214.63 Merger; commissioner's certificate.** The executed merger
2 agreement, together with a certified copy of the minutes of the meeting of members
3 ~~or~~ stockholders of each merging stock financial institution approving the merger
4 agreement, shall be filed with the commissioner. The commissioner shall issue to the
5 resulting savings bank a certificate of merger, setting forth the name of each merging
6 financial institution, the name of the resulting savings bank and the date on which
7 the commissioner approves the articles of incorporation and bylaws of the resulting
8 savings bank. The merger takes effect on the date of the recording of the certificate
9 or a later date if the certificate provides for a different date. Recording shall be
10 completed in the same manner as required for savings bank articles of incorporation,
11 in each county in which the home office of any of the merging financial institutions
12 was located and in the county in which the home office of the resulting savings bank
13 is located. The certificate shall be conclusive evidence of the merger and of the
14 correctness of the merger proceedings except against this state.

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

17 **214.63 Merger; certificate.** The executed merger agreement, together with
18 a certified copy of the minutes of the meeting of stockholders of each merging stock
19 financial institution approving the merger agreement, shall be filed with the
20 division. The division shall issue to the resulting savings bank a certificate of
21 merger, setting forth the name of each merging financial institution, the name of the
22 resulting savings bank and the date on which the division approves the articles of
23 incorporation and bylaws of the resulting savings bank. The merger takes effect on
24 the date of the recording of the certificate or a later date if the certificate provides
25 for a different date. Recording shall be completed in the same manner as required

1 for savings bank articles of incorporation, in each county in which the home office of
2 any of the merging financial institutions was located and in the county in which the
3 home office of the resulting savings bank is located. The certificate shall be
4 conclusive evidence of the merger and of the correctness of the merger proceedings
5 except against this state.

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

7 214.65 (2) (a) The board of directors shall adopt by a two-thirds majority vote
8 of all directors a resolution setting forth the terms of the proposed sale and shall
9 submit the plan to the commissioner for preliminary approval. Upon receipt of
10 approval by the commissioner, ~~the plan~~ a stock savings bank shall be submitted
11 submit the plan to a vote of the ~~members or~~ stockholders at a special or annual
12 meeting.

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

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

22 214.65 (2) (a) The board of directors shall adopt by a two-thirds majority vote
23 of all directors a resolution setting forth the terms of the proposed sale and shall
24 submit the plan to the division for preliminary approval. Upon receipt of approval

1 by the division, a stock savings bank shall submit the plan to a vote of the
2 stockholders at a special or annual meeting.

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

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

11 214.665 (1) With the prior approval of the commissioner, which shall state that
12 the proposed merger is necessary for the protection of depositors and other creditors,
13 a savings bank that is in default or in danger of default may, by a majority vote of its
14 board of directors and without a stockholder vote of its ~~members or stockholders~~,
15 merge with another savings bank, a state or federal savings and loan association, a
16 state bank or a federal bank. The other entity shall be the resulting or continuing
17 savings bank, savings and loan association or bank.

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

20 214.665 (1) With the prior approval of the division, which shall state that the
21 proposed merger is necessary for the protection of depositors and other creditors, a
22 savings bank that is in default or in danger of default may, by a majority vote of its
23 board of directors and without a stockholder vote, merge with another savings bank,
24 a state or federal savings and loan association, a state bank or a federal bank. The

1 other entity shall be the resulting or continuing savings bank, savings and loan
2 association or bank.

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

4 **214.67 Emergency sale of assets. (1)** With the prior approval of the
5 commissioner, which shall state that the proposed sale is necessary for the protection
6 of depositors and other creditors, a savings bank may, by a majority vote of its board
7 of directors and, notwithstanding s. 214.65 (1), without a stockholder vote of its
8 ~~members or stockholders~~, sell all or any part of its assets to another savings bank,
9 a state or federal savings and loan association, a state bank or a national bank if the
10 savings bank, savings and loan association or bank assumes in writing all of the
11 liabilities of the selling savings bank or to a deposit insurance corporation.

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

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

20 **214.67 Emergency sale of assets. (1)** With the prior approval of the division,
21 which shall state that the proposed sale is necessary for the protection of depositors
22 and other creditors, a savings bank may, by a majority vote of its board of directors
23 and, notwithstanding s. 214.65 (1), without a stockholder vote, sell all or any part of
24 its assets to another savings bank, a state or federal savings and loan association,
25 a state bank or a national bank if the savings bank, savings and loan association or

1 bank assumes in writing all of the liabilities of the selling savings bank or to a deposit
2 insurance corporation.

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

8 **SECTION 36.** 214.755 (1m) of the statutes is created to read:

9 214.755 (1m) The officers or employes of a savings bank may not disclose the
10 contents of an examination report except to any of the following:

11 (a) Law enforcement or prosecutorial agencies or a court.

12 (b) The savings bank's attorneys or its independent certified public
13 accountants.

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

15 **SECTION 37.** 214.755 (2) of the statutes is amended to read:

16 214.755 (2) An individual who violates sub. (1) or (1m) shall forfeit his or her
17 office or position.

18 **SECTION 38.** 214.76 (4m) of the statutes is created to read:

19 214.76 (4m) (a) Instead of an audit under sub. (1), the commissioner may
20 conduct an audit of a savings bank, if requested by the savings bank's board of
21 directors. An audit under this paragraph is in addition to an examination under s.
22 214.725. The commissioner shall charge the savings bank a fee for conducting an
23 audit under this paragraph. The charge for an audit under this paragraph shall be
24 at the same rate as the regular examination fee established under s. 214.715 (1) (h).

1 (b) The commissioner may order an audit of a savings bank at anytime the
2 commissioner considers it to be advisable. A savings bank shall pay the cost of an
3 audit under this paragraph and shall file a copy of an audit report with the
4 commissioner.

5 **SECTION 39.** 214.76 (4m) of the statutes, as created by 1995 Wisconsin Act
6 (this act), is amended to read:

7 214.76 (4m) (a) Instead of an audit under sub. (1), the ~~commissioner~~ division
8 may conduct an audit of a savings bank, if requested by the savings bank's board of
9 directors. An audit under this paragraph is in addition to an examination under s.
10 214.725. The ~~commissioner~~ division shall charge the savings bank a fee for
11 conducting an audit under this paragraph. The charge for an audit under this
12 paragraph shall be at the same rate as the regular examination fee established under
13 s. 214.715 (1) (h).

14 (b) The ~~commissioner~~ division may order an audit of a savings bank at anytime
15 the ~~commissioner~~ division considers it to be advisable. A savings bank shall pay the
16 cost of an audit under this paragraph and shall file a copy of an audit report with the
17 ~~commissioner~~ division.

18 **SECTION 40.** 214.93 of the statutes is amended to read:

19 **214.93 False statements.** A person may not knowingly make, cause, or allow
20 another person to make or cause to be made, a false statement, under oath if required
21 by this chapter or on any report or statement required by the commissioner or by this
22 chapter. In addition to any forfeiture under s. 214.935, a person who violates this
23 section may be imprisoned for not more than 20 years.

24 **SECTION 41.** 214.93 of the statutes, as affected by 1995 Wisconsin Acts 27 and
25 (this act), is repealed and recreated to read:

