

No. 48, A.]

[Published August 18, 1953.

**CHAPTER 613**

AN ACT to repeal 215.02 (3) (f) and 215.90; to renumber 215.03 (1) (p), (q), (2) and (4); to renumber and amend 215.03 (1) (a) to (o) and (3); to amend 215.03 (1) (introductory paragraph), 215.04 (6) (b), 215.06 (4), 215.10, 215.12 (4) (a), 215.22 (5), 215.34 (2), 215.45 (6), 215.52 (4) and (7), 215.64 (1), 215.73 (1) and 331.41 (1); to repeal and recreate 215.39 (2), 215.63 (1) and 215.70 (15) (a); and to create 215.45 (13) and 215.91 of the statutes, relating to savings and loan associations.

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

SECTION 1. 215.02 (3) (f) of the statutes is repealed.

SECTION 2. 215.03 (1) (introductory paragraph) of the statutes is amended to read:  
215.03 (1) (introductory paragraph) \* \* \* The articles of incorporation or the by-laws \* \* \* :

SECTION 3. 215.03 (1) (a) to (o) and (3) of the statutes are renumbered 215.03 (1) (a), (b), (2) and (6) and amended to read:  
215.03 (1) \* \* \*

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(a) \* \* \* Shall be in such form and contain such information as

shall be determined by the commissioner of savings and loan associations with the approval of the savings and loan advisory committee;

\* \* \* (b) \* \* \* May authorize the directors to appoint and remove, by resolution an executive committee, the members of which shall be directors, and which committee shall have the power of the board between the meetings of the board;

\* \* \* (2) \* \* \* The compensation of officers, directors, employees, and committee members shall be fixed \* \* \* by the board \* \* \* by majority vote;

\* \* \* (6) REWARD DIVIDENDS ON SAVINGS SHARES. The by-laws may provide for a reward dividend plan \* \* \* on \* \* \* savings shares to be paid to \* \* \* members for consistent \* \* \* savings at a dividend rate to be fixed by the commissioner of savings and loan associations and the savings and loan advisory committee.

SECTION 4. 215.03 (1) (p), (q), (2) and (4) of the statutes are renumbered 215.03 (3), (4), (5) and (7).

SECTION 5. 215.04 (6) (b) of the statutes is amended to read:

215.04 (6) (b) The board of directors may designate one or more persons to sign checks, membership and share certificates.

SECTION 6. 215.06 (4) of the statutes is amended to read:

215.06 (4) REWARD DIVIDEND PAYABLE AT REDEMPTION. If a share account which is redeemed is entitled to participate in the reserve for \* \* \* reward dividend, the amount of such accrued participation shall be paid as part of the redemption price.

SECTION 8. 215.10 of the statutes is amended to read:

215.10 The share accounts of a deceased member may be held and controlled by his administrator, executor or trustee of his estate, or 60 days after his death, his legal representatives may be paid the participation value of such share accounts; provided, that within such time, if the shares be pledged for a loan, the same shall be fully repaid.

SECTION 9. 215.12 (4) (a) of the statutes is amended to read:

215.12 (4) (a) Each member shall have one vote for each \$100 or fraction thereof appearing in his name on the books of the association and each borrowing member shall have at least one vote.

SECTION 10. 215.22 (5) of the statutes is amended to read:

215.22 (5) Any association may lend to its members without the requirement of amortization of principal not exceeding 50 per cent of the appraised value of the security of a first lien on real estate, such loan to be repayable in not more than 5 years with interest payable at least semiannually; and any association may lend to its members without the requirement of amortization of principal not exceeding 60 per cent of the appraised value of the security of a first lien on real estate, such loan to be repayable in not more than 3 years, with interest payable at least semiannually. The aggregate of straight mortgage loans shall not exceed 15 per cent of the share capital of the association, except such limitation shall not apply to straight mortgages made for the purpose of new construction which are repayable in not more than one year. At maturity these loans may be renewed or extended for a like period.

SECTION 11. 215.34 (2) of the statutes is amended to read:

215.34 (2) (a) Dividends shall be paid and made available on the last business day of June and December next following the date declared. No dividends shall be paid or credited except such as have been declared upon said dates, provided that profits need not be apportioned to any shares or share credits having a participating value of \$10 or less.

(b) Savings and loan associations, the majority of whose share capital is owned by the employees of a public utility, street and interurban railway companies and their associated companies, may credit and pay earned dividends at any time.

SECTION 12. 215.39 (2) of the statutes is repealed and recreated to read:

215.39 (2) Nothing in this section shall prohibit an association from distributing prizes in cash or otherwise to officers, directors, and employees engaged in new savings or account drives or contests conducted by the association, nor prohibit such officers, directors and employees from receiving the same.

SECTION 13. 215.45 (6) of the statutes is amended to read:

215.45 (6) With the approval of the commissioner, any association may invest not exceeding an amount equivalent to one-half of the total of its general reserves and undivided profits for the purchase \* \* \*, construction, remodeling and modernization of a building to be occupied by the association as its office.

SECTION 13a. 215.45 (13) of the statutes is created to read:

215.45 (13) PROCEDURE TO AMEND ARTICLES OF INCORPORATION. Amendments to the articles of incorporation may be made at any special meeting duly called for that purpose or at any annual meeting, provided that a statement of the nature of the proposed

amendment is included in the notice of meeting. The proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least 51 per cent of the shares or the participating value entitled to vote thereon, pursuant to s. 215.12 (4).

SECTION 14. 215.52 (4) and (7) of the statutes are amended to read:

215.52 (4) (a) At least once \* \* \* *within every 18 month period*, the commissioner shall examine the affairs of all such associations and for that purpose he or the examiners appointed by him shall have access to, and may compel the production of, all their books, papers, securities and moneys, administer oaths to and examine their officers and agents as to their affairs. Neither the commissioner nor any employe of the department shall examine an association in which he is interested as an officer or director.

(b) *The commissioner may accept an examination-audit made by the federal home loan bank or any other governmental agency authorized to make examination-audits of savings and loan associations pursuant to their rules and regulations. The examination-audit must comply with the procedure established by the commissioner.*

(7) Whenever any association requests approval of the commissioner for any act, which by statute requires such approval, he shall have \* \* \* 90 days in which to grant or deny such approval. If he fails to act, approval shall be deemed to have been granted.

SECTION 15. 215.63 (1) of the statutes is repealed and recreated to read:

215.63 ABSORPTION OF AN ASSOCIATION BY ANY OTHER ASSOCIATION. (1) With the commissioner's consent and by the affirmative vote of at least two-thirds of each board of directors associations may absorb or be absorbed by each other. The absorbed association shall transfer its assets and liabilities to the absorbing association but not to defeat or defraud creditors.

SECTION 16. 215.64 (1) of the statutes is amended to read:

215.64 (1) With the approval of the commissioner, associations may consolidate. To effect a consolidation, the board of each association shall, by resolution, propose the consolidation, and such consolidation must be ratified by an affirmative vote of the holders of \* \* \* 51 per cent of the dollar value of the shares outstanding of each association, at a meeting called by the boards and held at least 30 days after a notice of the time, place and object of the meeting has been sent to each \* \* \* member of record by mail, directed to him at his last known post-office address.

SECTION 17. 215.70 (15) (a) of the statutes is repealed and recreated to read:

215.70 (15) (a) The commissioner may, if he takes possession of any association, the shares or share accounts of which are to any extent insured by the federal savings and loan insurance corporation, tender to said corporation the appointment as statutory liquidator of such association. If he does not make such tender, he shall tender to said corporation the appointment as statutory coliquidator to act jointly with the commissioner, but such coliquidatorship shall not be for more than one year from the date of such tender, at the expiration of which time the commissioner shall become the sole liquidator except as herein otherwise provided. The commissioner shall tender to said corporation the appointment as sole statutory liquidator of such association whenever said corporation has become subrogated to the rights of 90 per cent of the liability of such association on shares and share accounts. If the corporation becomes subrogated as to all the shares and share accounts in such association, it may then exercise all the powers and privileges herein conferred upon it without court approval.

SECTION 18. 215.73 (1) of the statutes is amended to read:

215.73 (1) Any association doing business under this chapter may go into liquidation or may dissolve by a \* \* \* 51 per cent vote of the dollar value of the outstanding shares at a \* \* \* members' meeting held especially for that purpose, after 30 days notice to each \* \* \* member. When an association has voted to liquidate or to dissolve, the board shall cause notice of this fact to be certified, under the seal of the association by its president and secretary, to the commissioner, and published once each week for 3 successive weeks in a newspaper published in the county in which the association is located, and if no newspaper is there published, then in a newspaper published at the nearest county seat, calling on all persons who have claims against the association to present them to the association and make proof thereof at a specified place and time, and to mail a similar notice to all persons who appear as creditors on its books.

SECTION 19. 215.90 of the statutes is repealed.

SECTION 20. 215.91 of the statutes is created to read:

215.91 REPRODUCTION AND DESTRUCTION OF RECORDS; EVIDENCE.  
(1) Any savings and loan association may cause any or all records kept by such association to be recorded, copied or reproduced by any photostatic, photographic or miniature photographic process which correctly, accurately and permanently copies, reproduces or

forms a medium for copying or reproducing the original record on a film or other durable material, and such association may thereafter dispose of the original record after first obtaining the written consent of the commissioner of savings and loan associations. This section, excepting the part of it which requires written consent of the commissioner of savings and loan associations, is applicable to federal savings and loan associations insofar as it does not contravene federal law.

(2) Any photographic, photostatic or miniature photographic copy or reproduction or copy reproduced from a film record made from association records shall be deemed to be an original record for all purposes and shall be treated as an original record in all courts or administrative agencies for the purpose of its admissibility in evidence. A facsimile, exemplification or certified copy of any such photographic copy or reproduction or copy reproduced from a film record shall, for all purposes, be deemed a facsimile, exemplification or certified copy of the original record.

SECTION 21. 331.41 (1) of the statutes is amended to read:

331.41 (1) Where any person, firm or corporation requests any employe to furnish a cash bond, the cash constituting such bond shall not be mingled with the moneys or assets of such person, firm or corporation demanding the same, but shall be deposited by such person, firm or corporation in any bank, trust company or \* \* \* any savings and loan association *doing business in this state* whose deposits or shares are insured by a federal agency to the extent of \* \* \* \$10,000, as a separate trust fund, and it shall be unlawful for any person, firm or corporation to mingle such cash received as a bond with the moneys or assets of any such person, firm or corporation, or to use the same. No employer shall deposit more than \* \* \* \$10,000 with any one depository. The bank book, certificate of deposit or other evidence thereof shall be in the name of the employer in trust for the named employe, and shall not be withdrawn except after an accounting had between the employer and employe, said accounting to be had within 10 days from the time relationship is discontinued or the bond is sought to be appropriated by the employer. All interest or dividends earned by such sum deposited shall accrue to and belong to the employe and shall be turned over to said employe as soon as paid out by the depository. Such deposit shall at no time and in no event be subject to withdrawal except upon the signature of both the employer and employe or upon a judgment or order of a court of record.

SECTION 22. Whenever the words "shareholder," "shareholders," "shareholders' meeting" or "meeting of shareholders" are used in ch. 215 of the statutes, the words "member," "members," "members' meeting" or "meeting of members" are substituted. The revisor of statutes shall show the changes in publishing the statutes.

Approved July 21, 1953.

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