

CHAPTER 215.

SAVINGS AND LOAN ASSOCIATIONS.

215.01	Local and foreign; organization.	215.271	Misapplication of funds; falsification; penalty.
215.02	Incorporation.	215.272	Giving or accepting money for loans; penalty.
215.03	Issuance of charter is discretionary.	215.30	Department of savings and loan associations.
215.04	Appeal to savings and loan advisory committee.	215.302	Fidelity bonds.
215.05	Minimum membership.	215.304	Seal.
215.06	One office only.	215.31	Supervision; reports.
215.07	Powers.	215.312	Annual fees.
215.075	Requests granted; when.	215.32	Examinations.
215.08	Capital.	215.33	Possession by commissioner of savings and loan associations.
215.09	Cancellation of stock; interest on prepaid dues.	215.331	Voluntary liquidation.
215.10	Redemption.	215.332	Readjustment in other cases.
215.11	Repurchase.	215.335	Consolidation of associations.
215.114	Payment of dividends after notice.	215.337	Removal of officers and directors.
215.116	Withdrawals other than in cash.	215.34	Savings and loan bookkeeping; commissioner may prescribe.
215.12	Deceased members.	215.35	Forfeiture for failure to obey commissioner.
215.13	Matured stock.	215.355	Complaints; petition; hearing; order.
215.135	Membership, how terminated.	215.37	Examiners' report.
215.136	Joint share accounts.	215.38	Foreign associations, deposit required.
215.137	Officers and employes profiting on stock purchase; penalty.	215.39	Same.
215.14	Loans.	215.395	Increase of deposit.
215.15	Mortgages; pledges.	215.40	License.
215.151	War damage insurance.	215.41	Conditions precedent.
215.18	Payment of loans.	215.412	False statement in loan applications; penalty.
215.19	Loans due when; forfeiture.	215.42	Retaliatory taxes, etc.
215.20	Members; voting.	215.43	Definitions.
215.21	Joint and survivor stock interests.	215.44	Examination; fees.
215.22	Trust funds may be invested in paid-up stock.	215.45	Agents; fee.
215.225	Withdrawal value of instalment shares may be applied on paid-up shares.	215.46	Withdrawing securities.
215.23	Taxation.	215.47	Receivership.
215.24	Expenses; contingent fund; dividends; appraisers, appraisal; suspension of dividends and withdrawals; stock loans; mortgage release.	215.48	Savings and loan advisory committee; appeal board.
215.25	Operation expenses.	215.49	Action to revoke charter or permit.
215.256	Office building.	215.50	Savings and loan finance corporation.
215.26	By-laws.	215.505	Financial aid to associations.
215.27	Savings and loan associations; bond of officers and employes.	215.52	Conversion.

215.01 Local and foreign; organization. (1) A corporation for the purpose of raising money to be loaned among its members shall be known as a savings and loan association; if organized under the laws of this state, as a local association, and if under the laws of any other state or territory, as a foreign association. The words "savings and loan association" shall form part of the name of every such local association hereafter organized, and no corporation not organized under these statutes shall be entitled to use a name embodying such words, except that corporations now existing may continue their present names. The name adopted by any association hereafter incorporated shall not be the same assumed by any other association, nor so similar as to be liable to mislead.

(2) Any number of adult persons, citizens of Wisconsin as provided in section 215.05, desiring to associate for the purpose of organizing a savings and loan association under this chapter, shall make application to the commissioner of savings and loan associations in such manner as may be prescribed on a form furnished by him.

(3) Such application shall be prepared and filed in duplicate, and shall set forth:

- (a) The location of the proposed corporation.
- (b) The character of the business to be transacted.
- (c) The full name, residence and occupation of each applicant.

(d) Such other information as the commissioner of savings and loan associations may require.

(e) Applicant must show the need of an additional association in the locality in which they intend to locate.

(f) Any association may in lieu of the words which must form part of its corporate name use the words "building and loan" for part of its corporate name.

(4) Upon receipt by the commissioner of savings and loan associations of such application properly executed, it shall, within 30 days, forward to the applicants a copy of an

official notice of application for authority to organize a savings and loan association, containing such information as shall make known to the public the facts specifically required by statutes to be given in the application, and assigning a date and place for hearing on the application. Such notice shall be mailed by the commissioner to all associations organized and doing business within a radius of 2 miles of the proposed location of the new association, such existing associations shall be given written notice of the organization of the new association within this radius. The commissioner shall also give each of the organized associations the date and place of the hearing on the application and such notice shall be published once each week for 4 consecutive weeks by the applicants, at their own expense, in a newspaper published in the city, town, village or place where such savings and loan association is to be located; or, if no newspaper is published therein, in a newspaper published in the county in which such place is located, or, if none is published in such county, then the newspaper published at the nearest county seat in an adjoining county. Following the last publication, proof of publication shall be filed with the commissioner in such form as may be required.

(5) The applicants shall pay to the commissioner of savings and loan associations \$50 to defray the cost of the investigation of the application, which sum shall be paid into the state treasury.

(6) (a) In the event of the approval of the application for authority to organize a savings and loan association, the commissioner of savings and loan associations shall issue to the applicants, who shall thereafter be known as the incorporators, a certificate of authority conferring upon them such powers as are incidentally or necessarily preliminary to the organization of a savings and loan association. Those powers shall include the effecting of a temporary organization, consisting of a chairman, a secretary, and a treasurer; the execution and filing of articles of incorporation; the making of rules for the procedure of the incorporators and the conduct of the first meeting of the stockholders; the opening of subscription books for stock.

(b) The certificate so issued shall be void after 90 days from date of issue, except that the commissioner may for good cause, after a hearing held, extend the time limit of such certificate for a further period not exceeding 30 days.

(7) The chairman of the corporation shall preside at all meetings and shall exercise such other duties as ordinarily pertain to the position. The secretary shall attend to the correspondence of the incorporators, shall record fully all proceedings of meetings of the incorporators, shall file and preserve all documents and papers of the organization, and shall attend to the filing of the necessary papers with the commissioner of savings and loan associations. The treasurer shall receive all moneys paid in on subscriptions to stock or for other purposes, keep a true account thereof, shall deposit such funds in the designated depository, and shall pay such valid orders as may be drawn on him. The incorporators shall require a bond in a suitable amount from the treasurer, and other officers and agents who may handle the funds of the proposed savings and loan association. Claims against the organizations shall be audited by the incorporators, and record of action thereon noted in the minutes. If ordered paid, an order shall be drawn upon the treasurer and signed by the president and secretary. The incorporators shall, until the completion of the organization, exercise such other powers as are conferred upon the incorporators by the statutes relating to other corporations so far as such powers shall not be in conflict with the limitations of this chapter, and shall be applicable.

(8) No individual, partnership or corporation shall directly or indirectly receive or contract to receive any commission, salary, compensation, bonus, rights or privileges of any kind for organizing any savings and loan association in the state, or for securing a subscription to the original capital stock of any savings and loan association in this state, to complete organizations as provided in section 215.05 provided that this section shall not be construed as prohibiting an attorney or attorneys at law from receiving reasonable compensation for legal service in connection therewith, after the association has been granted a charter. Each and every individual, partnership or corporation violating the provisions of this section shall forfeit to the state \$1,000 for each and every such violation, and in addition thereto double the amount of such commission, salary, compensation or bonus.

(9) Any association, which shall have determined to move its office or place of business to some other location in the same town, village or city, shall make application to the commissioner of savings and loan associations. In the event that the proposed location is more than one mile from its then location the provisions of this section as to application, location, need, notice, hearing, fees (not to exceed the cost of investigation) and approval of new location are hereby made applicable to and imposed upon such association making application to change the location of its office or place of business.

(10) It shall be unlawful for any association to move its office or place of business from one town, village or city, to some other town, village or city in this state.

(11) The provisions of subsections (9) and (10) of this section shall not apply whenever the commissioner shall deem it for the best interest of the shareholders, with the approval of the advisory committee, to change the location of an association for the purpose of stabilization, reorganization, consolidation or grouping.

(12) No action may be brought under chapters 267, 286 and 304 against any local association or corporation organized and doing business as provided in this chapter.

(13) The commissioner shall, with the approval of the advisory committee, issue orders prescribing reasonable rules and regulations in conducting the business of associations or corporations operating as provided in this chapter and it may in like manner issue orders amending, modifying, repealing or supplementing rules or orders. The violation of any such rule may be cause for the removal of any officer, director or employe of any association or corporation.

(14) Any association may accept as additional collateral to its bond and mortgage any other real estate or personal property, or a policy or policies of life insurance issued on the life of any person who is in any way a party to or responsible for the repayment of the mortgage bond. The association may be named as beneficiary as well as absolute assignee of such policy of life insurance, and, to protect its interest therein, advance premiums thereon in the discretion of the board of directors.

(15) Chapter 108 shall not apply to any officer or director elected to such office or position for a definite term unless the association shall by resolution of its board of directors elect otherwise under chapter 108. [1931 c. 171 s. 1, 3; 1931 c. 292 s. 2; 1933 c. 372 s. 3; 1937 c. 284 s. 3; 1939 c. 221, 240, 464; 1941 c. 320; 1943 c. 512; 1947 c. 411 s. 6; 1947 c. 612]

Note: Commissioner in possession of building and loan association for purposes of liquidation may move office of association without compliance with (9), but (10) prevents him from moving its office to another municipality. 20 Atty. Gen. 996.

Where proposed location of local building and loan association would be more than a mile from present location provisions of (3) (e) are applicable (except in cases enumerated in (11)) so as to make it necessary that need for an additional association in the new locality be shown, before the change in location is approved by the banking commission. The decision to make an application and the making of an applica-

tion for change in location under (9) may be by appropriate action of board of directors of the association. Amendment of articles of incorporation to show the change need not be made until after the commission has approved the change. 34 Atty. Gen. 326.

Application for authority to organize a local building and loan association under 215.01 is not required to be passed upon by building and loan advisory committee as an application for state bank charter is by the banking review board under 221.01 (6) before a certificate of authority to organize can be granted as provided in 215.01 (6). 35 Atty. Gen. 207.

215.02 Incorporation. Local associations may be organized and conducted under the general laws relating to corporations except as herein provided; but the articles of incorporation, amendments thereof and all papers relating thereto shall be filed with the commissioner of savings and loan associations. The commissioner may issue the certificate of incorporation; but the same shall not issue until a verified copy of the by-laws adopted by the incorporators shall be filed with and approved by him; and until such certificate be issued no such association shall have legal existence and only such by-laws, alterations and amendments thereof as shall have been so filed and approved shall be deemed operative. The fee for said certificate shall be \$25, for filing amendments to the articles \$5, which shall be paid to the commissioner, and all fees received by him shall be paid into the state treasury. Any such association failing to commence business within one year from the date of the issuance of the certificate of incorporation shall cease to exist and such articles of incorporation and such certificate shall be null and void. [1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.03 Issuance of charter is discretionary. The commissioner of savings and loan associations shall have discretionary power in the granting of certificates of incorporation or authority for such associations, and may refuse to grant such certificates when the plan of operation outlined in the articles of incorporation and by-laws submitted for approval does not comply with the statutes governing associations or the accepted and prevailing practices of associations in this state; when the incorporators or organizers of the association or any of them are persons who shall not be of such character, responsibility and general fitness to warrant the belief that the association will be conducted for the best interests of the members; when the location of the proposed association shall be in such close proximity to an association already organized that the business of the established association might be interfered with and the support of the newly-organized association would not be such as to assure its success; or when other good and sufficient reasons exist for such refusal. [1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.04 Appeal to savings and loan advisory committee. In the event that the commissioner of savings and loan associations shall refuse to grant a certificate of authority under the provisions of section 215.03, and the applicants for such certificate feel aggrieved at such decision, they may appeal to the savings and loan advisory committee, constituted by section 215.48, and such savings and loan advisory committee shall have the same jurisdiction over such appeal as the bank review board has over appeals in the case of the incorporation of banks, and the procedure for determination and review under this section shall be the same and as binding as that provided for said board of review with respect to a state bank in section 220.035. [1937 c. 284 s. 3; 1941 c. 320; 1947 c. 411; 1947 c. 534 s. 16; 1947 c. 612]

215.05 Minimum membership. In any municipality of less than 10,000 inhabitants no association shall be organized with less than 50 adult initial members and 500 instalment shares. In any municipality of 10,000 and less than 100,000 inhabitants no association shall be organized with less than 100 adult initial members and 1,000 instalment shares. In any municipality of or over 100,000 inhabitants no association shall be organized with less than 250 adult initial members and 2,500 instalment shares. In any municipality of 400,000 inhabitants or over no association shall be organized with less than 300 adult initial members and 6,000 instalment shares. The first month's dues shall be collected and deposited in a bank before any such association shall be granted a charter or may begin business. [1947 c. 58]

215.06 One office only. No savings and loan association or building and loan association carrying on business in this state shall operate or maintain any branch offices, paying or receiving stations, agencies or branch associations within this state. [1947 c. 342]

215.07 Powers. Such local associations shall have power:

(1) To issue shares to members; to assess and collect from members fees, dues, fines, interest, premiums and other charges and the same shall not be held to be usurious; to permit or force members to withdraw all or part of their shares; to make loans to members; all upon such terms and conditions as may be provided in the by-laws.

(2) To borrow money, not inconsistent with the objects of the association, and issue its evidences of indebtedness therefor, and assign as collateral security its mortgages, bonds, notes and mortgage its real estate, not exceeding in the aggregate amount 20 per cent of its assets, except that with the approval of the commissioner an association may borrow an amount not exceeding 50 per cent of its assets.

(3) To acquire, by purchase, exchange, or otherwise, only such real estate as may be necessary for the protection or enforcement of its securities and the collection of any claims or debts due to it; with the advice and approval of the commissioner to sell or dispose of any or all of its assets to other associations and to acquire by purchase or otherwise all or any part of the property and assets of any other savings and loan association; all real estate acquired pursuant to this section shall be sold within 10 years from acquiring title thereto, excepting that the commissioner may from time to time extend the time within which such real estate shall be sold.

(4) To delegate authority to its directors to alter or amend its by-laws under such restrictions and limitations as it may deem proper.

(5) To exercise all such powers as are necessary and proper to enable them to carry out the purposes of their organization.

(6) To invest, with the advice and approval of the commissioner, in shares or evidences of indebtedness of savings and loan associations or building and loan associations doing business in this state, in bonds or evidences of indebtedness of the United States government, or assign as collateral security its mortgages and bonds or notes. Nothing herein contained shall prohibit any association from setting up reserves in cash or bonds, or both, for taxes, insurance, and such other reserves as the commissioner of savings and loan associations may order. No reserve need be provided for government securities.

(7) With the advice and approval of the commissioner of savings and loan associations, to become a member of and/or to subscribe for and purchase notes and debentures issued by any federal finance or credit corporation which may be organized by act of congress for aiding and assisting savings and loan associations to utilize their resources and credit, or to borrow from such finance or credit corporation, in either case in an amount not exceeding that allowed under the provisions of subsection (6) of this section.

(8) To create or join a pension system or fund for the retirement of its officers and employes.

(9) To invest its funds in stock, bonds and evidence of indebtedness of the savings and loan finance corporation and to borrow money from such corporation.

(9m) To purchase or acquire mortgages or real estate subject to a sales contract from the home owners' loan corporation and any other agency or instrumentality of the United States government and take assignments thereof.

(10) To become a member of a national mortgage company, make loans to its members as provided for in the national housing act approved June 27, 1934, and to issue shares of stock as provided in the federal home owners' loan act of 1933, as amended.

(10m) To sell, assign or transfer its mortgages and other evidences of security, with or without recourse, to the state annuity and investment board or any of the funds whose investments are under the supervision of said board, federal home loan bank, or other agency or instrumentality of the federal government, and to service and repurchase such mortgages and other evidences of security.

(13) To act, whenever designated by the secretary of the treasury of the United States or by any other instrumentality of the United States, as agent for said secretary of the treasury or any other instrumentality of the United States making the designation and perform all duties as agent that may be required of them; provided, however, resolutions authorizing such action are adopted by their boards of directors. [*Spl. S. 1931 c. 7, 31; 1933 c. 372 s. 3; 1935 c. 270, 357, 466; 1937 c. 236; 1937 c. 284 s. 3; 1939 c. 221, 240; 43.08 (2); 1941 c. 64, 320; 1943 c. 512, 516; 1943 c. 553 s. 33; 1943 c. 568; 1945 c. 246; 1947 c. 58; 1947 c. 411 s. 6; 1947 c. 452, 612*]

Note: Subsection (8), Stats. 1933, does not authorize associations to divest themselves of state charters and become federal savings and loan associations. *State v. Hopkins Street B & L Ass'n, 217 W 179, 257 NW 684. Affirmed in Hopkins Savings Ass'n v. Cleary, 296 US 315.*

Building and loan association may lawfully purchase and hold tax certificates on real estate on which it holds mortgages. (Stats. 1929). 19 Atty. Gen. 578.

Under 215.07, Stats. 1931, Wisconsin building and loan association may borrow from federal finance corporation and assign or encumber its assets as security. Such loans and other borrowings of association are limited to two-fifths of its assets. Conditions imposed upon use of loan should not be attached to commissioner's certificate of approval of application. 21 Atty. Gen. 392.

Subsection (7), Stats. 1931, authorizes Wisconsin building and loan associations to subscribe to stock of federal home loan bank. 21 Atty. Gen. 907.

Lending money under national housing act at different rate of interest than that

charged members and under different form of contract does not make building and loan association any less mutual association entitled to federal income tax exemption provided substantially all of its business is confined to making loans to members. 24 Atty. Gen. 609.

Associations do not, acting under (6), Stats. 1935, have power to borrow for more than one year or in excess of two-fifths of assets of land. 25 Atty. Gen. 502.

Association may take deeds to mortgaged property in settlement of foreclosure. 25 Atty. Gen. 503.

215.07 (2) and (6), as amended by ch. 240, Laws 1939, authorize borrowing of money by one building and loan association from another. 215.15, limiting amount which building and loan association may loan to its members, does not apply to loans made under 215.07 (2) and (6). 28 Atty. Gen. 653.

Questions answered concerning establishment of pension programs by local building and loan associations under (8), Stats. 1945, and as to supervision of said matters by the banking commission. 35 Atty. Gen. 70.

215.075 Requests granted; when. Whenever any savings and loan association shall request approval of the commissioner of savings and loan associations for any of the acts specified in the statutes which require such approval, the commissioner shall have 60 days in which to grant or deny such approval. After the expiration of 60 days if the commissioner fails to act, approval shall be deemed to have been granted. [*1945 c. 438; 1947 c. 411 s. 6; 1947 c. 612*]

215.08 Capital. (1) The capital stock of any such association shall be unlimited; its share capital shall consist of and be the aggregate of payments upon all share accounts and dividends credited thereto, less redemption, repurchase or withdrawal payments or depreciation charges made pursuant to this chapter. The participation value in the share capital of each share account held by a member shall be the aggregate of payments upon such share account and dividends credited thereto less withdrawals, redemption and repurchase payments and depreciation charges.

(2) The capital stock may be made issuable at any time as the directors may determine and shall be divided into 2 or more classes: (a) Paid-up or investment shares, (b) Instalment or savings shares, which savings shares may be divided into classes as prescribed by the by-laws. Shares paid for in full at the time of issue shall be designated as paid-up or investment shares and shall be issued only in amounts of \$100 or multiples thereof; and shares paid for on a partial payment plan shall be designated as instalment or savings shares. The board of directors may designate one or more persons to sign certificates of such association. Associations may provide for instalment shares with the matured value of \$100 per share. All share accounts shall be represented by share account books, containing a certificate of membership and evidencing the participation value of the share account, except that paid-up or investment share accounts or savings share accounts may be represented by separate certificates. Payments made upon instalment shares shall be called dues or share payments.

(3) Share accounts may be issued for cash or property in which the association is authorized to invest and in the absence of actual fraud in the transaction the value of property taken in payment therefor as determined by the board of directors shall be conclusive. All share accounts shall be nonassessable; and no holder thereof shall be responsible for any losses incurred by the association beyond the loss of the participation value of his share accounts. [1935 c. 357; 1939 c. 240; 1941 c. 320; 1943 c. 516]

Note: A shareholder in a building and loan association is not entitled to examine the books of the association in the absence of statutory provision authorizing such examination. *State ex rel. Schomberg v. Home Mut. B. & L. Ass'n*, 220 W 649, 265 NW 701.

Where definite limitations exist in charter or by-laws, association can avail itself of legislative extension of power only by amending charter or by-laws to include such extension. 24 Atty. Gen. 682.

[215.085 Stats. 1933 repealed by 1935 c. 357]

215.09 Cancellation of stock; interest on prepaid dues. Whenever any shares are withdrawn, forfeited, retired, repurchased, redeemed or surrendered the certificate or certificates and share account books therefor shall be surrendered and canceled. In case of partial withdrawal, repurchase or redemption of shares the certificate representing the same shall be canceled and a new certificate issued for the amount of shares remaining in force, or the withdrawal may be indorsed on the certificate; or if such shares are evidenced by share account books, the amount of such withdrawal, repurchase, redemption or share loans, if any, shall be immediately entered therein. Payments of dues or interest may be made in advance, but no discount shall be allowed therefor and no dividends shall be credited for payments exceeding in amount the regular payments for one year. [1941 c. 320; 1943 c. 512, 516]

215.10 Redemption. At any time funds are on hand for the purpose, the association shall have the right to redeem by lot, or otherwise as the board of directors may determine, all or any part of any of its share accounts on a dividend date, by giving 30 days' notice by registered mail addressed to the holders at their last address recorded on the books of the association. The association shall not redeem any of its share accounts when there is an impairment of share capital or when it has applications for repurchase which have been on file more than 30 days and not reached for payment. The redemption price of share accounts redeemed shall be the full value of the share account redeemed, as determined by the board of directors, but in no event shall the redemption price be less than the repurchase value. If a share account which is redeemed is entitled to participate in the reserve for bonus, the amount of such accrued participation shall be paid as part of the redemption price. If the aforesaid notice of redemption shall have been duly given, and if on or before the redemption date the funds necessary for such redemption shall have been set aside so as to be and continue to be available therefor; dividends upon the share accounts called for redemption shall cease to accrue from and after the dividend date specified as the redemption date, and all rights with respect to such share accounts shall forthwith, after such redemption date, terminate, except only the right of the holder of record to receive the redemption price without interest. [1941 c. 320]

215.11 Repurchase. The association shall have the right to repurchase its share accounts at any time upon application therefor and to pay to the holders thereof the repurchase value thereof. Holders of share accounts shall have the right to file with the association their written application to repurchase their share accounts, in part or in full, at any time. Upon the filing of such written applications to repurchase, the association shall number and file the same in the order received and shall either pay the holder the repurchase value of the share account, in part or in full as requested, or, after 30 days from the receipt of such application to repurchase, apply at least one-third of the receipts of the association from holders of share accounts and borrowers to the repurchase of such share accounts in numerical order; provided, that if any holder of a share account applies for the repurchase of more than \$1,000 of his share account or accounts, he shall be paid \$1,000 in order when reached, and his application shall be charged with such amount as paid and shall be renumbered and placed at the end of the list of applications to repurchase, and thereafter, upon again being reached, shall be paid a like amount, but not exceeding the value of his account, and until paid in full shall continue to be so paid, renumbered, and replaced at the end of the list. When an application to repurchase is reached for payment as above provided, a written notice shall be sent to the applicant by registered mail at his last address recorded on the books of the association, and, unless the applicant shall apply in person or in writing for such repurchase payment within 30 days from the date of mailing such notice, no payment on account of such application shall be made and such application shall be canceled. The board of directors shall have the absolute right to repurchase not exceeding \$100 of any one share account or accounts of any one holder in any one month in any order regardless of whether or not such holder has

filed an application for repurchase. Holders of share accounts filing written applications for repurchase shall remain holders of share accounts until paid and shall not become creditors. The repurchase value of share accounts of the association shall be the participation value thereof. [*Spl. S. 1931 c. 23 s. 2; 1937 c. 284 s. 3; 1941 c. 320; 1943 c. 516*]

215.114 Payment of dividends after notice. (1) Whenever unpledged shares of stock have been noticed for withdrawal subject to the provisions of section 215.11, said shares shall be without right to dividends, interest or profits from the time of giving notice of withdrawal, except in the manner and in amounts as follows: For the first dividend paying period after the filing of the notice of withdrawal, said shares shall not be entitled to any dividends; for the second dividend paying period after the filing of the notice of withdrawal, such shares shall be entitled to one-half the rate of dividends declared on shares of the same class not on notice; for the third dividend paying period after the filing of the notice of withdrawal and thereafter such shares shall be entitled to the same rate of dividends declared on shares of the same class not on notice.

(2) Such dividends are to be paid or credited only on such unpledged shares as are on the books of the association on dividend paying dates as provided for in the by-laws of the association and shall not be paid for any dividend paying period prior to the taking effect of this section. [*1937 c. 236; 1943 c. 516*]

Note: This section, created by chapter 236, Laws 1937, is prospective in operation and applies only to dividend paying periods subsequent to June 15, 1937, effective date of act, regardless of whether notice of withdrawal was given prior or subsequently thereto. 26 Atty. Gen. 524.

215.115 [*Repealed by 1943 c. 516*]

215.116 Withdrawals other than in cash. A member may, with the approval of the commissioner of savings and loan associations and the board of directors, apply his unpledged shares, whether such shares have been noticed for withdrawal or not, toward the purchase price of any of the association real estate or toward the payment of his loans, taxes, insurance or any other item owing the association. [*1933 c. 188; 1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612*]

215.12 Deceased members. The stock of a deceased member may be held and controlled by the legal administrator, executor, or trustee of the estate of such member, or 60 days after the death of a member his legal representative may be paid the full amount of dues paid in and such proportion of the dividends or earnings apportioned or credited to his shares of stock as the by-laws may provide, less all charges due on his stock; provided, that within such time, if the shares be pledged for a loan, the same be fully repaid. No fine shall be charged to a member's account after his decease unless future payments on such shares be assumed by his legal representatives.

Note: Representatives of deceased members in building and loan association are not given prior rights when association is on withdrawal notice and receipts are not sufficient to pay demand for withdrawal. Such representatives must wait their turn on withdrawal list. 22 Atty. Gen. 903.

215.13 Matured stock. When, by making regular weekly or monthly payments as provided for in section 215.08, any shares shall have reached their matured value payment of dues thereon may at the option of the member cease. The holders of unpledged shares may continue to make payments upon such shares or may request the repurchase of such shares by the association subject to the provisions of section 215.11. [*1931 c. 171 s. 2; Spl. S. 1931 c. 23 s. 2; 1941 c. 320; 1943 c. 516*]

Note: Shares of stock in a building and loan association may be pledged to others than the association issuing them. The pledgee of such stock cannot recover from the issuing association, if payment was made by the association to the pledgor without notice of the pledge, and a complaint in an action by a pledgee for such recovery is held insufficient for absence of an allegation that such payment was made after notice of assignment of the certificate to plaintiff. *North Ave. State Bank v. Excelsior M. B. & L. Ass'n*, 207 W 260, 240 NW 175.

Matured stock in building and loan association under 215.13 and 215.134, Stats. 1937, should be fully retired in cash or matured

[*215.134 Stats. 1941 repealed by 1943 c. 516*]

215.135 Membership, how terminated. Any member or shareholder who shall have given notice of withdrawal as provided for in section 215.11, or any member or shareholder whose shares shall have matured as provided in section 215.13, shall remain such member or shareholder and be subject to all rights, privileges and duties as provided for in this chapter and the by-laws, rules and regulations of such association until the withdrawal value of such shares shall have been paid to him and his certificate of shares canceled by

share certificates should be issued therefor in event of inability of association to retire same. Building and loan association may not act as agent of life insurance company in collection of premiums. 26 Atty. Gen. 561.

Local building and loan associations are not, under existing statutes, authorized to pay dividends on instalment shares which mature between dividend paying periods. The change in the law effected by the change in 215.13 made by ch. 320, laws of 1941, applies to instalment shares subscribed for or issued prior to the enactment of said chapter 320 when said shares mature after the effective date of said chapter. 36 Atty. Gen. 157.

the association. Provided, that when any instalment or savings share account in the amount of less than \$100 remains inactive by the failure of such shareholder to make any additional payment thereon for a period of 3 years, the association may by action of its board of directors declare such membership forfeit and all the rights, privileges and duties of such member, including the right to vote and to receive dividends, shall be terminated, and the moneys in such instalment or savings share account shall be set aside in a separate fund by the association and held for the benefit of such individual. [1931 c. 70; 1947 c. 390]

Note: Rights of withdrawing and maturing members of building and loan associations discussed. 21 Atty. Gen 219.

215.136 Joint share accounts. When shares have been purchased, or shall hereafter be purchased in any savings and loan association, transacting business in this state, in the names of 2 or more persons, repurchasable and payable to any of said persons or the survivor or survivors, such shares, or any part thereof, or any dividend thereon, may be paid as provided in section 72.11 (2) and (3), to any of said persons whether the other or others be living or not; and the receipt or acquittance of the person or persons so paid shall be valid and sufficient release and discharge to the savings and loan association for any payment so made. [1947 c. 58; 1947 c. 411 s. 6; 1947 c. 612]

215.137 Officers and employes profiting on stock purchase; penalty. Any officer, director or employe of any association who shall directly or indirectly profit through the purchase, sale, exchange, retirement or cancellation of any stock of said association from any person, firm or corporation, or be interested as a stockholder or partner in any corporation or partnership which, through purchase or sale of stock of an association of which he is an officer, director or employe, shall make a profit, shall be deemed guilty of a misdemeanor and upon conviction shall be punished by imprisonment in the county jail not more than one year or by a fine not exceeding \$1,000. [1937 c. 236; 1939 c. 240]

215.14 Loans. Associations are authorized to make loans to their members as hereinafter provided:

(1) On the security of their share accounts or on the security of first liens on real estate in the manner and upon the terms prescribed in the rules and regulations or in the by-laws; provided the security offered be satisfactory to the board of directors.

(2) Secured or unsecured loans which are insured or guaranteed in any manner by the United States or any agency or instrumentality thereof, or for which there is a commitment to so insure or guarantee.

(3) For the purpose of repair, modernization or alteration of an existing structure and take as security therefor a note repayable in not exceeding 36 monthly instalments. [1941 c. 320; 1945 c. 246]

Note: 215.14 (3) authorizes building and loan associations to make loans to members for a note repayable in not to exceed 36 monthly instalments. The note need not be for the purpose of repairing, modernizing or secured by collateral. 34 Atty. Gen. 293.

[215.145 Stats. 1941 repealed by 1943 c. 179]

215.15 Mortgages; pledges. (1) Except as provided in section 215.14, every loan made by an association shall be evidenced by a note or bond, which shall be secured by a mortgage upon real estate situated in the state of Wisconsin, and within a radius of not to exceed 50 miles from the office of such association, as the by-laws of each association shall provide. Such real estate shall be unincumbered except by prior loans of the association, and the note or bond given shall also be secured, if so requested by the association, by a pledge to the association of the shares borrowed upon.

(2) Associations may also make mortgage loans to members which shall provide that the dues (principal) paid shall be deducted from the principal amount due on the loan and the interest charged upon such loans shall be adjusted at least every 6 months on the unpaid balance of the loan on such adjustment date. The monthly payment of dues (principal) and interest shall be of such an amount so that such payments of dues (principal) will retire the loan within 20 years.

(3) The mortgage, bond, note or contract may provide that the interest rate may be increased after 3 years from the date of such mortgage, bond, note or contract, by giving to the borrower at least 4 months' notice of such intention. The borrower may after the receipt of such notice repay his loan within the time specified in such notice without the payment of any fine or penalty.

(4) Any association may lend to 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 as provided herein, such loans to be repayable in not more than 5 years with or without amortization of principal with interest payable at least semiannually, or

any association may lend to 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, as provided herein, such loans to be repayable in not more than 3 years, with or without amortization of principal, with interest payable at least semiannually, but not more than 15 per cent of the share liability of the association may be invested in such loans.

(5) All mortgages described in this section shall have priority over all liens except tax and special assessment liens, upon the mortgage premises and the buildings and improvements thereon which shall be filed subsequent to the recording of such mortgage.

(6) The borrower shall cause the buildings and improvements on any property on which an association has a mortgage to be insured for the benefit of the association against loss by fire, windstorm, and such other hazards as the association may require, in some company or companies to be selected or approved by the association in an amount which it shall designate, and shall keep the buildings so insured during the continuance of the mortgage. The insurance policy or policies shall remain on deposit with the association until the loan is paid.

(7) The directors in their discretion may dispense with said mortgage when the withdrawal value of the shares borrowed upon shall exceed the amount borrowed and interest thereon for 6 months.

(8) It shall be unlawful for any association, the assets of which do not exceed \$50,000, to make loans exceeding in the aggregate \$5,000 to one borrower; if its assets exceed \$50,000 but do not exceed \$100,000 it shall be unlawful for it to make loans exceeding in the aggregate \$7,500 to one borrower; if its assets exceed \$100,000 but do not exceed \$200,000, it shall be unlawful for it to make loans exceeding in the aggregate \$10,000 to one borrower; if its assets exceed \$200,000 but do not exceed \$500,000, it shall be unlawful for it to make loans exceeding in the aggregate \$20,000 to one borrower; if its assets exceed \$500,000 but do not exceed \$1,000,000 it shall be unlawful for it to make loans exceeding in the aggregate \$25,000 to one borrower; if its assets exceed \$1,000,000 it shall be unlawful for it to make loans exceeding in the aggregate 5 per cent of its assets to any one borrower. Any single loan in excess of \$25,000 shall not exceed 65 per cent of the reasonable value of the real estate securing the loan as appraised by appraisers, approved by the commissioner of savings and loan associations, and provided further that the aggregate of loans in excess of \$25,000 shall not exceed 15 per cent of the assets of the association.

(9) It shall be unlawful for any association to make any loan on vacant lands or vacant lots unless such lots are included with other improved real estate or on property used for manufacturing purposes, or upon any theater, public hall, church, school building, hotel or public garage.

(10) No association shall make any loans to an officer, director or employe except loans on the sole security of share accounts owned by such officers, director or employe and except loans on the security of a first lien upon the home, or the combination of home and business property, owned and occupied by such officer, director or employe. [1939 c. 285; 1941 c. 320; 1943 c. 512, 516; 1943 c. 553 s. 34; 1945 c. 246; 1947 c. 58; 1947 c. 411 s. 6; 1947 c. 612]

Note: Where a proposal to procure a new loan to replace a mortgage on a building under construction was suggested by a mechanics' lienor and the intent was that the surplus of the new loan should be used to discharge existing lien claims which, however, were not discharged, the new mortgagee was not entitled to subrogation to the lien of the old mortgage, in view, among other things, of the inequity of subrogation in the circumstances. *Union Trust Co. of Maryland v. Rodeman*, 220 W 453, 264 NW 508.

Association ordinarily should not consent to removal of buildings on property upon which it has loan, nor loan on vacant property be retained indefinitely. But power of association to protect its assets should not be unduly limited. 20 Atty. Gen. 362. 215.15, Stats. 1935, was impliedly repealed by 215.07 (10), 219.01 (2) and 219.03 in so far as 215.15 may have prohibited building and loan associations from assigning federal housing administration mortgage loans without recourse. 25 Atty. Gen. 399.

215.151 War damage insurance. War damage insurance as provided in section 215.15 shall not be required unless the directors of the association shall by resolution demand that same be provided by borrower. [1943 c. 568]

[215.155 Stats. 1939 repealed by 1941 c. 320]

[215.16 Stats. 1943 repealed by 1945 c. 246]

[215.17 Stats. 1931 renumbered section 372.09 by 1933 c. 436 s. 10]

215.18 Payment of loans. A borrower may repay his loan at any time by giving 30 days' written notice of his intention but if the amount of the advance repayment equals or exceeds 20 per cent of the original principal sum, the association shall have the right to charge 90 days' interest on the amount so repaid. He shall be charged with the amount of the original loan and interest, premium and fines in arrears, and be

given credit for the withdrawal value of his shares pledged as security. The balance shall be received in full satisfaction of said loan, and the shares thus credited be canceled and revert back to the association. A borrower may repay his loan at his option without claiming credit for said shares, whereupon said shares shall be retransferred to him freed from all claim by reason of said loan. Partial payments of loans may be made in a sum equal to the par value of one share or any multiple thereof, and for each such sum one share of stock shall be released from pledge. [1939 c. 482]

215.19 Loans due when; forfeiture. Whenever a borrower shall be in arrears in any contractual payments, whether principal, dues, interest, taxes or insurance, his whole loan shall become due and payable without deduction of any premium paid; his pledged shares may be declared forfeited and their withdrawal value at the time of the first default, if any payments of dues have been made, applied as a payment on the loan; the balance, or the amount due, with interest and premium, fines and other charges thereon from the time of the first default, may be enforced by proceedings on his security according to law; provided, that any association in the discretion of its board of directors is authorized to accept only payments of interest on the loan and taxes on the mortgaged premises and may waive the payment of dues for periods not exceeding one year at a time. When the amount thus collected exceeds the amount due the excess shall be returned to the defaulting borrower. [1931 c. 171 s. 1, 3; 1931 c. 340; Spl. S. 1931 c. 12; 1941 c. 320; 1947 c. 58]

215.20 Members; voting. (1) Any person, firm, copartnership, corporation, association, the home owners' loan corporation and other federal agencies may become a member of any such association in such manner as may be prescribed in the by-laws; but no person except the home owners' loan corporation and other federal agencies shall in any one association, in his own name or in the name of another, become the owner of shares of instalment stock exceeding in par value the sum of \$25,000; nor of paid-up stock exceeding in par value the sum of \$25,000. Shares may be issued to minors above the age of 14 years, who shall then be subject to the same duties and liabilities as adult members, and such shares, in the discretion of the directors, may be withdrawn by such minor, his parents or guardian, and in either case the payment made on such withdrawal shall be valid, as well as in relation to payments on shares forfeited, retired or matured. Minors under 14 may hold by trustee or guardian. Each member shall have one vote for each \$100 or fraction thereof appearing in his name on the books of the association except that each member shall have at least one vote. The by-laws may prohibit voting by proxy.

(2) Unless expressly stated in the proxy no proxy shall be valid unless the same authorizes a vote for the specific meeting or adjournment thereof set forth in said proxy. At no time shall any shareholder be deprived of his vote if he appears at a meeting, in which case his signed proxy shall be null and void for that meeting. [1935 c. 183; 1939 c. 240; 1941 c. 320]

Note: (1) permits one person to become the owner of instalment stock in an amount not to exceed \$25,000 of par value and also the owner of paid-up stock in an amount not to exceed \$25,000 of par value, so that such person could, if he owned the maximum amount of each class of stock, become the owner of \$50,000 of par value of stock in the aggregate. 33 Atty. Gen. 138. First sentence of (2) construed to mean that unless otherwise expressly stated in the proxy, no proxy shall be valid unless it authorizes a vote at the specific meeting or adjournment thereof set forth in said proxy. 35 Atty. Gen. 34.

215.21 Joint and survivor stock interests. When shares shall have been issued in the name of 2 or more persons, or either, or their survivor, the right to vote upon such shares at any meeting of the association shall be no greater than if the shares were held by an individual. Upon the death of either the association shall be liable only to the survivor. Persons who hold shares in a fiduciary capacity shall have all the rights and privileges of membership except the right to hold office. Whenever a person holding shares in such capacity dies and no notice of the revocation or termination of the trust shall have been given to the association in writing, the withdrawal value of the shares may be paid to the beneficiary. The association shall not be liable to beneficiaries for moneys paid to their guardians or trustees on account of such shares. [1943 c. 512]

215.22 Trust funds may be invested in paid-up stock. An administrator, executor, guardian or trustee, authorized to invest trust funds, may acquire and hold stock as such, in a savings and loan association of this state, but shall in no event exceed the limitations prescribed in section 320.02 and shall have the same rights and be subject to the same obligations and limitations as other stockholders except the right to become a director or officer of an association. Stock issued to an administrator, executor, guardian or trustee shall specifically name the trust represented. [1939 c. 513 s. 45; 1947 c. 411 s. 6; 1947 c. 612]

215.225 Withdrawal value of instalment shares may be applied on paid-up shares.

Any member may apply the matured, repurchase or withdrawal value of his instalment shares towards the payment of one or more paid-up shares, but at no time shall he be paid any cash for the retirement of such instalment shares while the association shall have on file notices of withdrawals, requests for repurchase or unretired matured shares, except as otherwise provided for in this section. If such matured, repurchase or withdrawal value is more than one-half of the par value of one paid-up share the member shall pay such difference between the matured or withdrawal value of such instalment share and the par value of such paid-up share, but if the matured or withdrawal value is less than one-half of the par value of one paid-up share, the difference shall be paid to him in cash. [1933 c. 372 s. 3; 1941 c. 320]

215.23 Taxation. The real estate owned by such local associations shall be assessed for taxation.

215.24 Expenses; contingent fund; dividends; appraisers, appraisal; suspension of dividends and withdrawals; stock loans; mortgage release. (1) Prior to June 30 and December 31 of each year the board of directors shall ascertain the gross earnings of the association for the then ending 6 months' period ending on June 30 and December 31 as the case may be, from which shall first be deducted the payment or provision for payment of the expenses of the association, and from the balance appropriate transfers shall be made to required reserves and undivided profit account. The balance of the profits shall be declared as a dividend; said dividend shall not be paid or distributed until June 30 or December 31 next following the date declared. No dividend shall be paid on any stock not outstanding on the date when a dividend may be paid or distributed; but no dividends shall be paid or credited except such as have been declared upon said dates; except by savings and loan associations, the majority of whose stock is owned by the employes of public utility, street and interurban railway companies and their associated companies, in which associations earned dividends may be credited and paid at any time; the proportionate amounts may be paid in cash or be placed to the credit of holders of instalment stock, and holders of paid-up stock may receive their dividend in cash, provided, that if at the time of such dividend period there be not a sufficient amount in the contingent fund for the payment of losses then existing, no dividend shall be declared and no dividend shall be apportioned, or credited on instalment stock and no dividend shall be apportioned, credited or paid on paid-up stock until all losses have been fully paid. Before any dividend shall be declared, credited or paid, at least three-tenths of one per cent per annum of the share and creditor liability shall be set aside as a fund for the payment of contingent losses, until such fund reaches at least 5 per cent of the share and creditor liability. All losses shall be paid out of such fund until the same is exhausted, and whenever said fund falls below 5 per cent of the share and creditor liability aforesaid it shall be replenished by regular appropriations, as hereinbefore provided, until it again reaches said amount. The rate of dividend declared and paid upon paid-up stock shall not exceed the rate declared and credited at the same time upon instalment stock, all dividends to be computed by a uniform method as prescribed by the commissioner.

(2) At the close of each fiscal year, and at such other time as the commissioner of savings and loan associations may direct or the board of directors may determine, it shall be the duty of the president to appoint a committee of 5, 3 of whom shall be members of the board of directors, and 2 shall be stockholders, not directors. It shall be the duty of this committee to examine the assets, books and accounts of the association. In lieu thereof the board of directors may by resolution incorporated in the minute book of the association employ a firm of public accountants or accept the audit and examination of books and accounts as made by the commissioner to check the assets of the association and determine any losses which may have been sustained and make a report of all their findings to the board of directors. It shall thereupon be the duty of the board of directors to charge off all losses so reported, and if there be not a sufficient amount in the contingent fund and the net profits for the period for the payment of such losses, then such losses, or the balance unpaid, shall be apportioned according to the book value of all shares outstanding, whether instalment or paid-up stock, and the proportionate amount shall be charged to each member, except in the case of delinquent associations in which case the losses shall be assessed according to the book value of the shares.

(3) Whenever the contingent loss fund as required by subsection (1) shall have reached more than 10 per cent of the share and creditor liability, the directors may by resolution order such fund reduced to 10 per cent of the share and creditor liability. [1931 c. 171 s. 2; Spt. S. 1931 c. 23 s. 3; 1933 c. 250 s. 1; 1937 c. 284 s. 3; 1939 c. 240; 1941 c. 320; 1943 c. 568; 1947 c. 58; 1947 c. 411 s. 6; 1947 c. 612]

Note: Commissioner of banking is not tior's committee appointed under provisions bound by appraisals and report of associa- of (2). 20 Atty. Gen. 1252.

Withdrawal value of shares in building under (2) or appraisal under (3). Known and loan association is as established by losses may be apportioned and charged to charging off losses ascertained by audit or shares without audit or appraisal. 21 Atty. appraisal. Commissioner may direct audit Gen. 664.

215.25 Operation expenses. The expenses of every such association shall be paid from its earnings; and no deductions from dues or share credits shall be made either directly or indirectly for that purpose. [1941 c. 320]

[215.255 Stats. 1939 repealed by 1941 c. 320]

215.256 Office building. With the approval of the commissioner, any association may invest a sum of money not exceeding \$150,000, but not to exceed one-half of its contingent fund, for the purchase or construction of a building to be occupied by the association as its office. [1939 c. 240; 1945 c. 246; 1947 c. 411 s. 6]

Note: A local building and loan association may, subject to approval of the banking commission, purchase a building for office purposes standing on leased land. In determining whether it will approve or disapprove a proposal to purchase or construct a building, the commission must base its determination upon the facts in each case. It must act in good faith and there must be some rational basis for the result reached, so it cannot be said the commission acted in an arbitrary or capricious manner in arriving at its determination. 34 Atty. Gen. 437.

215.26 By-laws. (1) The articles of association or by-laws of each local association must specify: The manner in which persons may become and cease to be members; the number of shares a member may own; the terms on which certificates for shares are to be issued, the form thereof and the fees therefor; the manner and condition of transfer of shares and fees therefor; the manner of renewing lost or destroyed certificates and fees (whether membership or withdrawal) therefor; the time and manner of paying dues; the fines for nonpayment of any sum due or for other defaults or violation of rules; whether dividends shall be allowed on dues paid in advance; how shares in default may be forfeited and disposed of; how shares may be withdrawn, the fees to be charged therefor and the proportion of the profits payable on such withdrawal; the regulations as to retiring shares and the amount to be paid holders thereof; the proportion of the profits to be paid the legal representatives of deceased members; provisions for the custody and handling of securities and the banking and checking of funds; when and how meetings shall be called and held and what shall constitute a quorum; whether voting by proxy be permitted; the election and removal of officers and directors, the filling of vacancies, giving directors power to appoint and remove by resolution the members of an executive committee, the members of which shall be directors, which committee shall have and exercise the powers of the board of directors between the meetings of the board of directors; defining their duties and determining when and by whom their remuneration shall be fixed, but if the remuneration is fixed by the directors, it shall be fixed by majority vote; and provide such other rules and regulations, not inconsistent with law or the articles of incorporation, as the business of the association may require. The by-laws shall also prescribe that every director shall take and subscribe an oath that he will diligently and honestly perform his duty in such office and will not knowingly violate or permit a violation of any provision of this chapter. The by-laws may further provide for a bonus in instalment savings shares to be paid to shareholders for consistent and regular payments, not in excess of one per cent per annum.

(2) Each association shall have its by-laws prepared in convenient form and upon request shall furnish a copy to any member.

(3) Where the by-laws do not specify the interest rate to be charged on loans, such association shall by resolution of its board of directors fix and determine the interest rate to be charged on loans, subject to written approval of the commissioner. [1931 c. 292 s. 1, 2; 1933 c. 372 s. 3; 1937 c. 284 s. 3; 1939 c. 240; 1941 c. 320; 1943 c. 275 s. 54; 1943 c. 512, 516; 1945 c. 246; 1947 c. 58; 1947 c. 411 s. 6]

215.27 Savings and loan associations; bond of officers and employees. (1) As a condition precedent to qualification or entry upon the discharge of his duties, every person appointed or elected to any position requiring the receipt, payment or custody of money or other personal property owned by a savings and loan association, or in its custody or control as collateral or otherwise, shall give a bond in some responsible corporate surety company, licensed to do business in this state, in such adequate sum as the directors shall require and approve. In lieu of individual bonds the commissioner of savings and loan associations may accept a schedule or blanket bond which covers all of the officers and employes of any savings and loan association whose duties include the receipt, payment or custody of money or other personal property for or on behalf of the savings and loan association. All such bonds shall be in the form prescribed by the commissioner.

(2) No officer or employe who is required to give bond shall be deemed qualified nor shall be permitted to enter upon the discharge of his duties until his bond shall have been

approved by a majority of the board of directors. Such bond shall be filed with the commissioner within 10 days next after approval thereof by the board of directors. The minute books of each savings and loan association shall contain a record of each bond executed and approved.

(3) Such bond shall be sufficient in amount to protect the savings and loan association from loss by reason of acts of fraud or dishonesty including forgery, theft, embezzlement, wrongful abstraction or misapplication on the part of the person, directly or through connivance with others. At any time the commissioner may require additional bond or security, when, in his opinion, the bonds then executed and approved are insufficient.

(4) Every such bond shall also include the following provisions:

(a) No cancellation or other termination of this bond shall be effective unless the surety gives in advance at least 10 days' written notice by registered mail to the commissioner of savings and loan associations. If this bond is canceled or terminated at the request of the insured (employer) this provision shall apply nevertheless, it being the duty of the surety to give the required written notice to the commissioner, such notice to be given promptly and in any event within 10 days after the receipt of such request.

(b) The surety agrees to furnish the commissioner of savings and loan associations at Madison, a copy of all riders and indorsements executed subsequently to the effective date of this bond.

(5) For reasons which he deems valid and sufficient the commissioner may waive as to the cancellation or termination of any such bond the 10-day written notice in advance required by subsection (4) (a) and may give his written consent to the termination or cancellation being made effective as of a date agreed upon and requested by the surety and the savings and loan association.

(6) The provisions required by subsection (4) to be in every such bond shall not in any way modify, impair or otherwise affect or render invalid a provision therein to the effect that the bond shall terminate as to any person covered thereby upon the discovery by the savings and loan association of any dishonest act on the part of such person.

(7) Any violation of the provisions contained in subsections (1) and (2) shall subject the savings and loan association to a fine of \$10 per day for each consecutive day of such violation and it shall be the duty of the attorney-general to recover any such penalties by action for and in behalf of the state. [1937 c. 284 s. 3; 1943 c. 158; 1945 c. 246; 1947 c. 411 s. 6; 1947 c. 612]

215.271 Misapplication of funds; falsification; penalty. Every officer, director, employe, or agent of any association who embezzles, abstracts, or wilfully misapplies any moneys, funds, credits, or property of the association, whether owned by it or held in trust, or who without authority, issues or puts forth any certificate of shares, assigns any note, bond, mortgage, judgment or decree, or who makes any false entry in any book, record, report or statement of the association with intent in either case to injure or defraud the association or any person or corporation, or to deceive any officer or director of the association, or any other person, or any agent appointed to examine the affairs of such association, or any person who, with like intent, aids, or abets any officers, director, employe, or agent in the violation of this section, upon conviction thereof shall be imprisoned in the state prison for not to exceed 20 years. [1933 c. 372 s. 3]

215.272 Giving or accepting money for loans; penalty. Every officer, director, employe or agent of any association who shall for himself, directly or indirectly, take, accept or receive, or offer or agree to take, accept or receive any fee, compensation or thing of value whatever from any person in consideration of the association of which he is such officer, director, employe or agent, loaning any money to such person; or any person who shall for himself or for another directly or indirectly offer, give, present or agree to give or present any fee, compensation, or thing of value to any officer, director, employe or agent of any association in consideration of the association loaning any money to him, shall be punished by fine not exceeding \$1,000 or by imprisonment in the county jail not exceeding 6 months, or by both such fine and imprisonment, provided that nothing contained in this chapter shall be construed as prohibiting any association from paying to its officers, directors or employes commissions on loans, or on the sale of shares or share accounts. [1933 c. 372 s. 3; 1941 c. 320; 1943 c. 516]

[215.275 to 215.30 Stats. 1941 repealed by 1943 c. 158]

215.30 Department of savings and loan associations. (1) There is hereby established a savings and loan association department, which shall have charge of execution of the law relating to savings and loan associations in this state. The department shall be under the management and control of a commissioner of savings and loan associations.

(2) The commissioner of savings and loan associations shall be appointed by the governor, by and with the advice and consent of the senate, and shall hold office for a term expiring July 1, 1953, and until a successor has been appointed and qualified. After expiration of such term, the term of office shall be 6 years. No person shall be eligible for the office of commissioner of savings and loan associations without having had actual practical experience for not less than 5 years, either as an executive of a savings and loan association of this state or as service in the savings and loan department of the state or as a combination of both. He shall devote full time to the duties of his office.

(3) The commissioner shall appoint a supervisor by and with the consent of the savings and loan advisory committee. Such supervisor shall be subject to provisions of chapter 16 and shall not be eligible to such appointment unless he shall have had at least 3 years' actual experience either in conducting a savings and loan association or service in the savings and loan supervisory department of this state, or a combination of both. He shall possess all powers, and perform the duties attached to the office of commissioner during a vacancy thereof and during the absence or inability of the commissioner. The commissioner may also employ, from time to time, such examiners and clerks to assist him and his supervisor in the discharge of the several duties imposed upon him by this chapter as he shall find necessary, who shall perform such duties as the commissioner may direct. This subsection shall not be deemed to affect the employment or the rights or status of the individual in the employ of the banking commission or banking department immediately prior to July 17, 1947, in the position of supervisor or building and loan examiner IV of building and loan associations, under chapter 16, and on said date, he shall be and hereby is transferred to the employ of the commissioner of savings and loan associations as supervisor with the same rights and status as he had before such date.

(4) The commissioner shall enforce all laws relating to savings and loan associations contained in chapter 215. He shall have the duty and power to enforce and cause to be enforced every law relating to the supervision and control thereof.

(5) Wherever the words "banking commission," "commission" or words of similar import referring to or meaning the department of savings and loan associations are used in chapter 215, the words "commissioner of savings and loan associations", "commissioner" or words of similar import referring to the commissioner of savings and loan associations shall be substituted. Wherever the words "building and loan association" or "building and loan associations" are used in chapter 215 or any other chapter of the statutes, the words "savings and loan association" or "savings and loan associations" shall be substituted. The revisor of statutes is directed to make such substitution.

(6) There shall be assigned to said commissioner of savings and loan associations suitable rooms in the state capitol or state office building for conducting the business of the department. All necessary stationery, printing and supplies shall be furnished to the savings and loan association department upon requisitions therefor, in like manner as other state departments are now supplied. [1947 c. 411, 612]

215.302 Fidelity bonds. (1) The commissioner shall execute and file an official bond or bonds in the aggregate sum of \$25,000 approved by the governor.

(2) Employees, appointees and agents of the commissioner of savings and loan associations whose office or position falls within the designation of such office or position in the schedule appearing next below, shall be required to furnish official bond or bonds in the aggregate sum of not less than the amount set opposite such designation:

(a) Special deputy commissioners, supervisors, examiners of active or delinquent savings and loan associations, each, not less than \$10,000.

(b) Special assistants to the commissioner of savings and loan associations, each, not less than \$10,000.

(3) Each employe of the department of savings and loan associations not included in the schedule above whose duties involve either special responsibilities or the handling or control of money, securities or other property, shall furnish official bond or bonds in such aggregate sum as the commissioner may determine.

(4) Other employes whose duties involve no special responsibility or the handling or control of money, securities or other property, need furnish bond only upon demand of the commissioner and in such sum as he may require.

(5) Every bond required under this section shall be underwritten by a surety company duly licensed to do business in the state of Wisconsin. [1947 c. 411, 612]

215.304 Seal. The commissioner of savings and loan associations shall devise a seal for his use. A description of the seal, with an impression thereof, shall be filed in the office of the secretary of state. [1947 c. 411, 612]

215.31 Supervision; reports. All associations formed under this or other similar law, or authorized to transact in this state a business similar to that authorized to be done by this chapter, shall be under the control and supervision of the commissioner of savings and loan associations. Every such corporation, on December 31 of each year, shall make a full and detailed report of its business done the preceding year, and of its condition on such date, in such form and containing such information as said commissioner may prescribe, and shall file with it a true and verified copy thereof on or before February 1 thereafter; accompanying the same shall be attached a copy of the statement of the association at the close of its last fiscal year. A copy of its statement of condition shall be made available to its members. If any such association shall fail or refuse to furnish the report herein required it shall be subject, at the discretion of the commissioner, to a forfeiture of \$10 per day for each and every day of default, and said commissioner may maintain an action in the name of the state to recover such penalty, and the same shall be paid into the state treasury. [1937 c. 284 s. 3; 1945 c. 438; 1947 c. 411 s. 6; 1947 c. 612]

Note: Board of directors of building and loan association cannot legally transfer property to one director in trust and re-

lease him from liability in regard thereto. 20 Atty. Gen. 544.

[215.311 Stats. 1945 repealed by 1947 c. 411]

215.312 Annual fees. On or before the fifteenth day of July of each year every savings and loan association carrying on business in this state shall pay to the commissioner of savings and loan associations an annual fee as hereinafter provided:

(1) A capital fee of fifteen dollars.

(2) In addition to such capital fee, state chartered associations shall pay an annual fee as determined by the commissioner and the savings and loan advisory committee but not exceeding an amount as follows:

(a) Twelve cents per thousand for the first million dollars of assets or fraction thereof.

(b) Ten cents per thousand for the second and third million dollars of assets or fraction thereof.

(c) Eight cents per thousand for the fourth, fifth, sixth, seventh, eighth, ninth and tenth million dollars of assets or fraction thereof.

(d) Six cents per thousand for all above ten million dollars of assets or fraction thereof.

(e) The commissioner of savings and loan associations and savings and loan advisory committee shall assess each savings and loan association in this state for the cost of each examination made, which cost shall be determined by the commissioner and shall include the salaries and expenses of all examiners and other employes of the department actively engaged in such an examination, the salaries and expenses of the commissioner, review examiner or other person whose services are required in connection with such examination and any reports thereof, and any other expenses which may be directly apportioned. Every charge so made shall be paid within 30 days from the time the savings and loan association receives notice of the assessment. Any association failing to pay such assessment as provided in this paragraph shall be subject to the penalty provided in subsection (3) for each day it neglects and fails to pay such charge or assessment after it becomes due and payable.

(f) The commissioner shall charge any special costs and expense incurred because of special work required by the commissioner caused by an association not having proper or sufficient management or failing to keep its books, records and other matters in a standard and approved manner. An itemized statement of such charges must be submitted to the association so charged by the commissioner.

(3) An association failing to pay such annual fees to the commissioner by July 15 of each year shall, if ordered by the commissioner, forfeit a penalty of \$10 for each day it neglects and fails to pay such fees. [1935 c. 402; 1941 c. 320; 1943 c. 512, 568; 1947 c. 367; 1947 c. 411 s. 6, 9; 1947 c. 534 s. 16; 1947 c. 612]

215.32 Examinations. At least once in each year, the said commissioner of savings and loan associations shall make or cause to be made an examination into the affairs of all such associations and for that purpose said commissioner or the examiners appointed by him shall have full 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. Special examination shall be made upon written request of 5 or more members, they guaranteeing the expense of the same. Any such association refusing to submit to an examination ordered or requested shall be reported to the attorney-general, who shall institute proceedings to have its charter revoked, which refusal shall be the cause for such revocation. [1935 c. 402; 1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.33 Possession by commissioner of savings and loan associations. (1) **CONDITIONS FOR TAKING POSSESSION.** The commissioner of savings and loan associations may

with the consent and approval of the savings and loan advisory committee and after giving 10 days' written notice to the board of directors take possession and control of the business and property of any association to which this chapter is applicable whenever he shall find that such association:

- (a) Is conducting its business contrary to law, or
- (b) Has violated its charter, or any law, or
- (c) Is conducting its business in an unauthorized or unsafe manner, or
- (d) Is in an unsound or unsafe condition to transact its business, or
- (e) Has an impairment of its capital, or
- (f) Cannot with safety and expediency continue business, or
- (g) Has suspended payment of its obligations, or
- (h) Has neglected or refused to comply with the terms of a duly issued order of the commissioner, or
- (i) Has refused to submit its books, papers, records or affairs for inspection to any examiner, or
- (j) Has refused to be examined upon oath regarding its affairs.

(2) PROCEDURE ON TAKING POSSESSION. Upon taking possession of the business and property of any such association the commissioner of savings and loan associations shall forthwith:

(a) Serve a notice in writing upon the president and secretary of said association, setting forth therein that it has taken possession and control of the business and property of said association. Said notice shall be executed in duplicate, and immediately after the same has been served, one of the said notices shall be filed with the clerk of the circuit court of the county where said association is located, together with proof of service.

(b) Give notice to all individuals, partnerships, corporations and associations known to the commissioner to be holding or in possession of any assets of such association.

(c) The commissioner may appoint one or more special deputy commissioners as agent or agents to assist in the duty of liquidation and distribution of the assets of one or more savings and loan associations of whose business and property the commissioner shall have taken possession pursuant to the provisions of this chapter. A certificate of such appointment shall be filed in the office of the commissioner and a certified copy in the office of the clerk of the circuit court for the county in which such savings and loan association is located. The commissioner may employ such counsel and procure such expert assistance and advice as may be necessary in the liquidation and distribution of the assets of such savings and loan associations, and may retain such of the officers or employes of such savings and loan associations as he may deem necessary. Special deputy commissioners and assistants shall furnish corporate surety bonds in accordance with the provisions of section 215.302. Such special deputy commissioner may execute, acknowledge and deliver any and all deeds, assignments, releases or other instruments necessary and proper to effect any sale and transfer or incumbrance of real estate or personal property and may borrow money for use in the liquidation after the same has been approved by the commissioner, and an order obtained from the circuit court of the county in which said association is located, as hereinafter provided.

(d) Upon taking possession of the property and business of such savings and loan association, the special deputy commissioner is authorized to collect all moneys due to such savings and loan association, and do such other acts as are necessary to conserve its assets and business, and shall proceed to liquidate the affairs thereof as hereinafter provided. He shall collect all debts due and claims belonging to it, and upon a petition approved by the commissioner and upon order of the circuit court of the county in which such association is located, may sell or compound all bad or doubtful debts, or do any act or execute any other necessary instruments and upon like petition and order may sell all the real and personal property of such savings and loan association on such terms as the court shall approve. Such special deputy commissioner may, if necessary, enforce individual liability of the stockholders to pay the debts of such corporation.

(e) The commissioner of savings and loan associations may, in the event of his taking possession of any savings and loan 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 federal savings and loan insurance corporation the appointment as statutory coliquidator of such association to act jointly with the commissioner, but such coliquidatorship shall not extend over a period of 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 shall have become subrogated to the rights of at least

90 per cent of the outstanding liability of such association on shares and share accounts; and if in addition said corporation shall have deposited with the clerk of the circuit court for the county in which such association is located shares or share accounts in a local insured association not in default at least equal in amount to the shares and share accounts as to which the corporation has not become subrogated, or if the corporation shall become 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 order or approval. It shall be the duty of such clerk to accept such deposit for the benefit of the persons entitled to such shares or share accounts.

(f) If said corporation accepts such appointment as sole liquidator it shall have and possess all the powers and privileges given by the laws of this state to the commissioner of savings and loan associations as statutory liquidator of a possessed savings and loan association, as provided in section 215.33 or otherwise, including section 215.116 and be subject to all the duties of the commissioner as such statutory sole liquidator, except in so far as such powers, privileges or duties are in conflict with the provision of any applicable federal laws, and except as herein otherwise provided, unless and until such association shall resume business, pursuant to section 215.33 (11) or (12). If said corporation accepts such appointment as coliquidator, it shall have and possess such powers and privileges equally and jointly with the commissioner and shall be subject to such duties equally and jointly with said commissioner.

(g) In the event said federal savings and loan insurance corporation shall accept the appointment as such coliquidator or liquidator, it shall file such acceptance with the commissioner of savings and loan associations and the clerk of the circuit court of the county in which the association is located and it is authorized and empowered to be and act, without bond, as such coliquidator or liquidator. Upon the filing by said federal savings and loan insurance corporation of its acceptance of the appointment as such sole liquidator, the possession of and title to all the assets, business and property of such association of every kind and nature shall pass to and vest in said corporation without the execution of any instruments of conveyance, assignments, transfer or indorsement. Upon the filing by said corporation of its acceptance of the appointment as coliquidator such possession and title shall pass to and be vested in the commissioner of savings and loan associations and said corporation jointly. In the event said corporation shall not qualify as sole liquidator at or before the time herein provided for the expiration of such coliquidatorship, said corporation shall be wholly divested of and from such joint title and possession and the sole title and possession shall thereupon vest immediately in the commissioner. The vesting of title and the possession of the property and assets of such association, as provided by section 215.33 (8), shall not render such property or assets subject to any claims or demands against the federal savings and loan insurance corporation, except such as may be incurred by such corporation with respect to such association and its property or assets. Whether or not it shall serve as aforesaid, the federal savings and loan insurance corporation may make loans on the security of or may purchase, with the approval of the court, except as herein otherwise provided, at public or private sale, all or any part of the assets of any association, the shares, share accounts or accounts of which are to any extent insured by it, but in the event of such sale and purchase, said corporation shall bid for and pay a fair and reasonable price.

(h) Whether or not said federal savings and loan insurance corporation shall serve as liquidator of any such association, whenever it shall pay or make available for payment the shares, share accounts or accounts of any such association in liquidation which are insured by it, it shall be subrogated upon the surrender and transfer to it of any such shares, share accounts or accounts, with respect to such shares, share accounts or accounts, but such surrender and transfer shall not affect any right which the transferor may have in any portion of such shares, share accounts or accounts which are not paid or made available for payment or any right to participate in the distribution of the net proceeds remaining from the disposition of the assets of such association; provided, that the rights of the investors and creditors of such association shall be determined in accordance with the applicable provisions of the laws of this state.

(3) NOTICE, ALLOWANCE AND PAYMENT OF CLAIMS. The special deputy commissioner shall cause notice to be given by advertisement in such newspapers as he may direct, weekly, for 3 consecutive weeks, calling on all persons who may have claims against such savings and loan association, to present the same to the special deputy commissioner, and make legal proof thereof at a place and within a time, not earlier than the last day of publication, to be therein specified. He shall mail a similar notice to all persons at their last known address, whose names appear as creditors upon the books of the savings and loan association. Proof of service of such notice shall be filed with the clerk of said court. The special deputy commissioner may reject any claim. Any party interested may

also file written objections to any claim with the special deputy commissioner and after notice by registered mail of such rejection, said claimant shall be barred unless he commences an action thereon within 3 months. Claims presented after the expiration of the time fixed in the notice to creditors shall be entitled to share in the distribution only to the extent of the assets then in the hands of the special deputy commissioner equitably applicable thereto.

(4) INVENTORY OF ASSETS AND STATEMENT OF LIABILITIES. Upon taking possession of the property and assets of such savings and loan association, the special deputy commissioner shall make an inventory of the assets of such savings and loan association, in duplicate, one to be filed in the office of the commissioner of savings and loan associations, and one in the office of the clerk of circuit court for the county in which such savings and loan association is located. Upon the expiration of the time fixed for the presentation of claims, the special deputy commissioner shall make in duplicate a full and complete list of the claims presented, including and specifying such claims as have been rejected by him, one to be filed in the office of the commissioner of savings and loan associations, and one in the office of the clerk of circuit court for the county in which such savings and loan association is located. Such inventory and list of claims shall be open at all reasonable times to inspection.

(5) ADJUSTMENT OF LOANS AND WITHDRAWAL VALUE OF SHARES. The value of shares pledged upon a loan to such association shall be applied and credited to such loan and the borrower shall be liable only for the balance. The rate of interest charged upon such balance shall be the legal rate. The value shall be determined in such manner as the commissioner of savings and loan associations prescribes, and shall be made pursuant to section 215.332 (1) and (3), or in such other manner as the commissioner may prescribe. Upon the approval of such value by the commissioner and the circuit court of the county in which such savings and loan association is located, the book value of each member shall be reduced proportionately. At least 5 days' written notice of such determination of value shall be given to all shareholders of the time and place such value shall be submitted to the circuit court for approval. Should any stockholder or creditor of such association feel aggrieved by any such determination of value, he may at any time within 15 days after the mailing of a notice by the commissioner, addressed to the last known address of such party, giving notice of such determination and value of such shares, appeal to the supreme court. After the creditors of such association shall have been paid, the association, and the members thereof, may avail themselves of the provisions of section 215.116.

(6) COMPENSATION AND EXPENSES IN CONNECTION WITH LIQUIDATION. The compensation of the special deputy commissioners, counsel and other employes and assistants, and all expenses of supervision and liquidation shall be fixed by the commissioner of savings and loan associations, subject to the approval of the circuit court for the county in which such savings and loan association is located, and shall upon the certificate of the commissioner be paid out of the funds of such savings and loan association. Expenses of supervision and liquidation shall include the cost of the service rendered by the commissioner of savings and loan associations to the savings and loan association being liquidated and shall be determined from time to time by the commissioner and shall be paid to the commissioner from the assets of the savings and loan association as other expenses of liquidation are paid. The moneys collected by the special deputy commissioner shall be from time to time deposited in one or more state banks, and, in case of the suspension or insolvency of the depository, such deposits shall be preferred before all other deposits.

(7) DIVIDENDS. At any time after the expiration of the date fixed for the presentation of claims, the special deputy commissioner in charge of the liquidation of such savings and loan association may, upon a petition approved by the commissioner of savings and loan associations and an order of the circuit court of the county in which such savings and loan association is located, out of the funds remaining, after the payment of expenses and debts, declare one or more dividends, and may declare a final dividend, such dividend to be paid to such persons, and in such amounts as may be directed by the circuit court.

(8) TITLE PASSES TO COMMISSIONER. Immediately upon filing the notice as provided for in section 215.33 (2), the possession of all assets and property of such savings and loan association of every kind and nature, wheresoever situated, shall be deemed to be transferred from such association to, and assumed by the commissioner of savings and loan associations; and filing of the notice mentioned herein, shall of itself, and without the execution or delivery of any instruments of conveyance, assignment, transfer or indorsement, vest the title to all such assets and property in the commissioner. Such filing shall

also operate as a bar to any attachment, garnishment, execution or other legal proceedings against such savings and loan association, or its assets and property, or its liabilities.

(9) **EFFECT OF POSSESSION.** No savings and loan association shall have a lien, or charge for any payment, advance or clearance made, or liability thereafter incurred, against any of the assets of the savings and loan association of whose property and business the commissioner of savings and loan associations shall have taken possession.

(10) **APPEAL.** Whenever any such savings and loan association whose property and business the commissioner of savings and loan associations has taken possession of, as aforesaid, deems itself aggrieved thereby, it may, at any time within 10 days after such taking, apply to the circuit court of Dane county to enjoin further proceedings; and said court after citing the commissioner to show cause why further proceedings should not be enjoined and hearing all allegations and proofs of the parties and determining the facts, may, upon the merits dismiss such application or enjoin the commissioner from further proceedings, and direct him to surrender such business and property to such savings and loan association.

(11) **REINSTATEMENT.** Whenever the commissioner of savings and loan associations shall have taken over the possession and control of the business and property of any savings and loan association, the same may resume business when and if:

(a) The owners of at least two-thirds of such association's dollar value of outstanding shares, execute a petition to such effect, the form of which shall be prescribed by the commissioner, and

(b) There is submitted to the commissioner by such shareholders or a committee duly selected by them, a plan for the reorganization and reinstatement of such association and

(c) The commissioner recommends that control of the business and property of such association be returned to the shareholders, and

(d) The court in which such liquidation is pending, upon application of the commissioner, makes an order approving the commissioner's recommendations, which order shall contain a finding that such association will be in a safe and sound condition when control is resumed by the shareholders.

(12) **REINSTATEMENT UPON RESTRICTED BASIS.** Such savings and loan association may also resume business upon a restricted basis, and upon such limitations and conditions as may be prescribed by the commissioner when approved by the circuit court in and for the county in which such savings and loan association is located, upon application of the commissioner. Such restrictions and conditions may include, among others, a prohibition against the selling of new shares, reasonable restrictions upon withdrawals and the payment of other liabilities. Such association shall thereupon be relieved from the control and supervision of the commissioner as provided in this section, but nothing herein shall, in any manner, prohibit the commissioner from again proceeding against such association as provided herein.

(13) **LIQUIDATING DIVIDENDS AND UNCLAIMED FUNDS.** (a) Unclaimed liquidating dividends and all funds remaining unpaid in the hands of the special deputy commissioner at or immediately prior to the date of the order for final distribution together with all final liquidating costs shall be by him delivered to the commissioner of savings and loan associations to be by him deposited in one or more state banks, to the credit of the commissioner of savings and loan associations in his name, in trust for the various shareholders and creditors entitled thereto. The commissioner shall include in his annual report to the governor the names of savings and loan associations so taken possession of and liquidated, and the sums of unclaimed and unpaid liquidating dividends and unclaimed funds with respect to each of them respectively, including a statement of interest earned upon such funds.

(b) Any claims not presented within 6 years from the time an order of final distribution is made in the liquidation of any savings and loan association shall be deemed to have been abandoned and shall be barred and the amount of the fund against which any claim or claims shall have become barred shall forthwith become the property of the state. The state treasurer shall in the 30-day period preceding the end of each fiscal year ascertain from the commissioner the amount in said fund against which claims shall have become barred during said fiscal year and the commissioner shall transfer said amount to the general fund.

(c) This subsection shall be applicable to any amounts in said fund on its effective date as well as to any amounts placed in it subsequent thereto, provided, however, that where an order of final distribution was made in the liquidation of any savings and loan association 5 years or more prior to the effective date of this paragraph (1945), the time for presenting claims against said fund shall not expire until one year from its effective date.

(d) The commissioner may pay over the moneys so held by him to the persons respectively entitled thereto, upon being furnished satisfactory evidence of their right to the same. In case of doubt or conflicting claims, he may require an order of the circuit court authorizing and directing the payment thereof. He may apply the interest earned by the moneys so held by him towards defraying the expenses in the payment and distribution of such unclaimed liquidating dividends and funds to the stockholders and creditors entitled to receive the same.

(e) At the time of the order for final distribution the commissioner may make application to the circuit court having jurisdiction of such savings and loan association in liquidation for an order determining what books and records are to be kept and what destroyed, stating in such application his recommendations thereon. The court shall thereupon enter an order determining what books and records are to be kept and what may be destroyed and fixing an appropriate period of time in either event. All books and records ordered kept shall be kept in a manner and place designated by the court, for such period of time as the court may direct, subject to the further order of the court. The expense of keeping any records ordered to be kept shall be paid out of the funds of the liquidation before final distribution is made. All books and records ordered destroyed shall be delivered to the commissioner to be so destroyed at the time prescribed by the court or to be kept for such further period of time as the commissioner may direct.

(f) Prior to the order for final distribution the special deputy commissioner shall cause notice to be given by advertisement in such newspaper or newspapers as the court may direct, weekly, for 3 consecutive weeks, calling on all persons who may have claims against such savings and loan association arising during the course of the liquidation proceedings, to present same to the special deputy commissioner and make legal proof thereof at a place and within a time, not earlier than the last day of publication, to be therein specified. Proof of such notice shall be filed with the clerk of the circuit court. The special deputy commissioner may accept or reject any claims so filed. Any party interested may file written objections to any such claim with the special deputy commissioner, and in such event said claim shall be determined by the court after such notice to all interested parties as the court may prescribe. In the event of the rejection of any such claim by the special deputy commissioner without objection thereto having been filed by any other interested party, such claim shall be forever barred unless suit thereon be brought within 3 months after notice of such rejection by registered mail shall have been given to the claimant by the special deputy commissioner.

(g) After the order for final distribution has been made, the special deputy commissioner shall, with the approval of the commissioner of savings and loan associations and the circuit court, having jurisdiction thereof, assign all assets, claims and demands of whatsoever kind and nature that may have been written off and considered worthless, including all unknown and undiscovered assets, to the commissioner, who is authorized and empowered to accept and hold such assets, claims and demands with the full right and power to compound, compromise, settle and assign the same with full authority to execute and deliver any legal instruments incidental thereto without further court approval. Any moneys or proceeds received therefrom shall be paid into the general fund of the state of Wisconsin after the commissioner has first deducted therefrom the cost of his services, attorney fees and other expenses incidental thereto. [*Spl. S. 1931 c. 23 s. 3; 1933 c. 250 s. 1; 1933 c. 363 s. 1; 1937 c. 236; 1939 c. 221; 1941 c. 320; 1943 c. 302, 518, 568; 1945 c. 438; 1947 c. 411 s. 6; 1947 c. 534 s. 16; 1947 c. 612*]

Note: Under this section approval by the banking commission, and approval by the circuit court, of an offer to purchase property of the association, are steps necessary to a contract for the sale of real estate after an offer of purchase has been received by the special deputy, but the acceptance of the offer by the special deputy is necessary to create a contract, so that, in the absence of such acceptance, the special deputy is not precluded by the approval of an offer by the commission and the court from subsequently accepting a higher offer, with the approval of the commission and the court. It is the special deputy in charge of the liquidation of an association, and not the circuit court or the banking commission, who is clothed with authority to sell the property of the association, and the fact that the court and the commission must approve does not bring the sale within any of the classes of "judicial sales." In re Wisconsin Savings Loan & Building Ass'n, 241 W 1, 4 NW (2d) 127.

Subsection (8) (Stats. 1935) creates no preference in favor of funds collected and deposited by officers of building and loan as-

sociation in voluntary liquidation. 20 Atty. Gen. 1257.

Banking commission may insure properties of delinquent building and loan associations held by it in mutual insurance companies. Members of commission are not personally liable for any assessments or contingent liabilities existing by reason of such insurance. Standard mortgage clause grants option to mortgagee to pay premiums or assessments, and mortgagee is not bound to pay them. Liability for premiums or assessments on part of mortgagee may be defined by express provisions of mortgage clause. 29 Atty. Gen. 430.

The proper procedure to be followed by banking commission in making distribution of funds held by it under (13) (a), where there is doubt as to proper claimant or conflicting claims is to require an order of the circuit court authorizing and directing payment as provided by (13) (d). 34 Atty. Gen. 324.

215.33 (13) (b) does not apply with respect to unclaimed funds or dividends in voluntary liquidations under 215.331. 35 Atty. Gen. 112.

215.331 Voluntary liquidation. (1) Any association organized or doing business under the provisions of this chapter may go into liquidation or may dissolve by a two-thirds vote of the dollar value of the outstanding shares at a shareholders' meeting held especially for that purpose, after notice to each shareholder of not less than 30 days. Whenever an association has so voted to go into liquidation or to dissolve, it shall be the duty of the board of directors to cause notice of this fact to be certified, under the seal of the association by its president and secretary, to the commissioner of savings and loan associations, and to cause notice thereof to be published once each week for 3 successive weeks in a newspaper published in the village, city or 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 may have claims against such association to present them to the association and make legal proof thereof at a place and within a time, not earlier than the last date of publication, to be therein specified, and to mail a similar notice to all persons whose names appear as creditors on its books.

(2) Any association so liquidating shall sell, transfer, assign or otherwise dispose of all of its mortgages, securities or other property within ten years from the date of liquidation or dissolution unless the commissioner shall otherwise order. The board of directors shall remain a body corporate until the association is fully liquidated.

(3) Any association so liquidating shall be subject to the provisions of sections 215.312 and 215.32 in the same manner as an association in actual operation.

(4) Such association may, with the approval of the commissioner, resume business upon such conditions as may be approved by him.

(5) Any association in the process of voluntary liquidation, may adopt the plan provided in section 215.332 in the following manner:

(a) Upon the signing of a petition, the form of which shall be prescribed by the commissioner, by shareholders owning at least 60 per cent of the dollar value of the outstanding shares of such association, in which petition such shareholders agree to the reinstatement of such association upon the plan provided in section 215.332, such commissioner shall order the holding of a special meeting of such shareholders. There shall be submitted at such special meeting a resolution, the form of which shall be prescribed by the commissioner, rescinding the former action of such shareholders placing such association in voluntary liquidation. Such resolution shall be deemed to have been adopted if the vote in its favor is at least equal to that which adopted the resolution placing such association in voluntary liquidation. If, in addition to the foregoing resolution, such shareholders, by a majority vote of the dollar value of shares outstanding, adopt a further resolution, the form of which shall have first been approved by the commissioner, providing that the association be operated as provided in section 215.332, such association will be deemed to be reinstated. Upon such reinstatement the shareholders shall fill all vacancies in the board of directors in accordance with the by-laws. Such directors shall forthwith proceed to appoint the appraisers as provided in section 215.332 (1), and operate the association as provided therein. Voting by proxy shall be permitted at all meetings of shareholders as provided for in section 215.20 (2), but such proxies can be held and voted by members only.

(b) Nothing contained in this section shall prohibit the commissioner from proceeding against any association as provided in section 215.33.

(6) In case of a vacancy on the board of directors caused by death, resignation or otherwise, the remaining members of the board may fill the vacancy by electing from among the members of the association a director to fill the vacancy. [1937 c. 236; 1939 c. 240; 1941 c. 320; 1943 c. 516; 1947 c. 411 s. 6; 1947 c. 612]

Note: Members of building and loan association who sign waivers of dividends in excess of stipulated percentage, excess, if any, being assigned to association, are entitled upon voluntary dissolution of such association to share assets of association, including those resulting from earnings, on same basis as are shareholders who did not sign such dividend waivers. 30 Atty. Gen. 264.

215.332 Readjustment in other cases. (1) Whenever from an examination or report, it shall appear to the commissioner of savings and loan associations that the capital of any association is impaired, or may in the near future become impaired, the commissioner may, with the approval of the savings and loan advisory committee, issue an order to such association, requiring the directors to forthwith appoint subject to the approval of the commissioner 3 competent persons, not members of such association, who shall appraise such property owned by, or upon which such association has a mortgage loan or judgment, as the commissioner shall designate. The appraisers so appointed and approved shall appraise and fix the reasonable normal value of all such property as aforesaid and report their findings to the commissioner and the directors. The value as found by such appraisers shall be the value from which all losses shall be determined.

(2) Whenever the commissioner shall find that the losses existing, or which it may reasonably be anticipated will be sustained in the near future, are more than two-thirds of the amount in the contingent fund of the association, he may, with the approval of the advisory committee, issue an order to such association, which order shall provide that no further dividends be credited or paid and no moneys paid out for retiring shares, whether noticed for withdrawal or whether the shares shall have matured, until the commissioner shall otherwise order.

(3) After the commissioner shall have determined the losses existing or which he shall determine may reasonably be sustained in the near future, he shall issue an order providing that the book value of each share be depreciated as stated in such order, the officers shall forthwith proceed to depreciate the book value of all shares as ordered. A record shall be made on the books showing the amount by which the book value of the shares was depreciated, and a copy of such record shall be filed with the commissioner.

(4) Any borrowing member may, after the book value of his shares shall have been depreciated as provided in subsection (3) of this section, pay to the association the difference between the withdrawal value of his shares as depreciated, and the amount due on his mortgage loan, and his mortgage and other securities shall thereupon be released.

(5) The directors may, with the approval of the commissioner, make stock loans to members upon such terms and conditions as the commissioner may order, but such stock loans shall be for provident purposes only and not more than \$100 shall be loaned to any one member in any one month.

(6) The directors shall give notice by mail to each member, stating in such notice that the book value of his shares has been depreciated, the date when such book value was depreciated, and the book value of his shares after such depreciation. The mailing of such notice to the last known place of abode as shown on the records of the association shall be a compliance with this subsection.

(7) The directors may, with the approval of the commissioner, sell, lease, transfer, exchange and convey any of the property of the association, and upon their order the proper officers shall execute and deliver such deeds, leases, assignments, bills of sale and such other transfers and conveyances as are necessary to dispose of such property as herein provided.

(8) The directors may compromise and settle any claim, demand or judgment which is a part of the assets of the association, but no compromise of any claim, demand or judgment shall be made except upon express consent of the commissioner.

(9) The commissioner shall prescribe reasonable rules and regulations not inconsistent with laws for the operation of associations operating as provided in this section.

(10) Except as otherwise provided in this section, such association shall be operated as provided in this chapter.

(11) The directors shall make no disbursements or contract to make disbursements for salaries, compensation, fees or any other item of expense, nor retire shares, nor pay or declare dividends during the time such association is operating as provided in this section without the approval of the commissioner. [1937 c. 236; 1941 c. 320; 1945 c. 246; 1947 c. 411 s. 6; 1947 c. 534 s. 16; 1947 c. 612]

215.335 Consolidation of associations. (1) Any association may absorb any other association located in the same county, which is in good faith winding up its business for the purpose of being absorbed by some other local association, and may transfer its resources and liabilities to the association with which it is in process of consolidation; but no association may absorb any other association without the consent of the commissioner of savings and loan associations, and not then to defeat or defraud any of its creditors in the collection of their debts against such association or either of them.

(2) With the approval of the commissioner, associations may consolidate. To effect a consolidation, the board of directors of each consolidating association shall, by resolution, propose the consolidation, and such consolidation shall be ratified and confirmed by an affirmative vote of the holders of two-thirds of the book dollar value of the shares outstanding of each association, at a shareholders' 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 shareholder of record by mail, postage prepaid, directed to him at his last known post-office address.

(3) The association consolidating with another association under the provisions of the preceding subsections shall not be required to go into liquidation but its assets and liabilities shall be reported by the association with which it has consolidated, and all the rights, franchises and interests of said association so consolidated in and to any species of property, personal and mixed, and choses in action thereto belonging, shall be deemed to be

transferred, and the said consolidated association shall hold and enjoy the same and all rights of property, franchises and interest in the same manner and to the same extent as was held and enjoyed by the association so consolidated therewith; and the members or shareholders of such absorbed association shall without any further act on their part be members and shareholders of such consolidated association and be subject to all rights, privileges and duties as provided for in the by-laws of the association which has so absorbed their association.

(4) Any member or shareholder of the association which has been absorbed who shall intend to withdraw his unpledged shares within one year after the date of approval of the consolidation by the commissioner may do so by giving 90 days' written notice of such intention, and his shares shall be withdrawn and retired as provided in section 215.11; any member or shareholder who shall have given such notice of withdrawal as provided for in this subsection, shall remain such member or shareholder and be subject to all rights, privileges and duties as provided for in this chapter and the by-laws, rules and regulations of such consolidated association until the withdrawal value of his shares shall have been paid to him and his certificate of shares canceled by the association. [1931 c. 217; 1937 c. 284 s. 3; 1941 c. 320; 1945 c. 438, 536; 1947 c. 411 s. 6; 1947 c. 612]

[215.336 Stats. 1935 repealed by 1937 c. 236]

215.337 Removal of officers and directors. The provisions of subsection (4) of section 220.04 relating to the removal of officers and directors of banks shall apply to officers and directors of savings and loan associations and they may be removed for like cause and in the manner provided in such section. The commissioner may appoint from among the shareholders of such association any shareholder to fill the vacancies caused by removal of officers or directors; the shareholder so appointed shall hold office until the next meeting of the shareholders. [1933 c. 250 s. 2; 1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.34 Savings and loan bookkeeping; commissioner may prescribe. Whenever it shall appear to the commissioner of savings and loan associations that any savings and loan association operating in this state does not keep books and accounts in such manner as to enable him to readily ascertain the true condition of such savings and loan association, he shall have the power to require the officers of such association or any of them to open and keep such books or accounts as he may in his discretion determine and prescribe for the purpose of keeping accurate and convenient records of the transactions and accounts of such association. [1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.35 Forfeiture for failure to obey commissioner. Any savings and loan association that refuses or neglects to open and keep such books or accounts as may be prescribed by the commissioner of savings and loan associations, shall be subject, at the discretion of the commissioner, to a forfeiture of \$10 for each day it neglects and fails to open and keep such prescribed books and accounts. Whenever any savings and loan association fails or refuses to pay the forfeiture hereunder imposed for failure to open and keep such books or accounts, the commissioner is hereby authorized to institute proceedings for the recovery of such forfeiture. [1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.355 Complaints; petition; hearing; order. (1) Whenever any person, firm or corporation shall file with the commissioner a petition stating that the association named in such petition refuses or neglects to pay its notes or evidences of debts on demand, or is unable to pay such debts, or whenever not less than 25 members of an association shall file with the commissioner a petition stating that the association named in such petition, or the officers or directors of such association, neglect to or refuse to retire shares as provided in this chapter, or shall state that the officers or directors are conducting the business of the association in an unsafe or unauthorized manner, or that by the acts or negligence of the officers or directors the funds or assets of the association are or may become impaired, the commissioner shall within 10 days after receipt of such petition proceed to hear such petition. A copy of such petition shall be mailed or delivered to the association named in such petition at least 3 days before the date of hearing. Not less than 3 days before the date of hearing a notice shall be mailed or delivered to the association and the party petitioning, which notice shall state the date, time and place for the holding of such hearing.

(2) At the time and place fixed in such notice (unless by stipulation some other time and place is fixed) the commissioner shall hear all parties interested and shall cause the testimony given to be reduced to writing, or he may designate some person employed or connected with his department to take testimony and hear the petition, and such person so designated shall cause all testimony to be reduced to writing and filed with the commissioner.

(3) The commissioner shall within a reasonable time make findings as to all matters contained in such petition and make such order as he shall deem just and reasonable.

(5) The findings and order of the commissioner shall be final except as ordered modified by the court.

(6) Chapter 286 shall not apply to local associations or corporations organized and doing business as provided in this chapter. [1933 c. 250 s. 2; 1933 c. 372 s. 2; 1937 c. 284 s. 3; 1943 c. 375 s. 83; 1947 c. 411 s. 6]

[215.36, 215.365 Stats. 1935 repealed by 1937 c. 236]

215.37 Examiners' report. Said commissioner of savings and loan associations shall annually, at the earliest practicable date after the reports are received, make a report to the governor of the general conduct and condition of all savings and loan associations doing business in this state, including a detailed report of all income and disbursements of such companies and the salaries and commissions of all officers, directors and employes, arranged in tabular form, together with such suggestions as he may deem expedient. Such number of copies of this report shall be printed as he may direct, and such number of copies as he may designate shall be cloth bound; each association shall be entitled to one copy, the remainder to be for general distribution. [1931 c. 292 s. 3; 1935 c. 435; 1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.38 Foreign associations, deposit required. No foreign savings and loan association and no foreign association or corporation representing itself to be a savings and loan association or doing business on the building-society plan, and no association or corporation organized under the laws of any other state or territory and doing business in the manner provided for mutual savings and loan associations by this chapter shall issue its shares, receive moneys or transact any business in this state unless such association shall have and keep on deposit with the state treasurer, in trust for the benefit and security of all its members in this state, \$500,000 to be held in trust as aforesaid until all shares of such association held by residents of this state shall have been fully redeemed and paid off and until its contracts and obligations to persons and members residing in this state shall have been fully performed and discharged; the securities comprising such deposit shall first be approved by the commissioner of savings and loan associations under the same rules and regulations governing the approval of securities of trust company banks; and upon such deposit being made the state treasurer shall issue a certificate therefor, and thereupon the commissioner may issue his certificate of authority to said association to transact business in this state. [1931 c. 171 s. 2; 1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

Note: Investment portion of employer's plan for payment of unemployment benefits held not invalid as against contention that investment company cannot pledge general assets for particular security of only employer's income reserve contract. State ex rel. Rohn Shoe Mfg. Co. v. Industrial Commission, 217 W 138, 258 NW 449.

Under this section Wisconsin certificate holders, on the insolvency of an association, in the absence of any agreement to pay interest, were entitled to be paid out of the deposit fund only the net surrender value

of their certificates, as of the date of insolvency, and were not entitled to be paid, in addition, out of the deposit fund, interest by way of damages from the date of insolvency, without regard to the rights of other claimants in the assets of the association. In re Fidelity Assur. Asso. 248 W 373, 21 NW (2d) 730.

Deposit with state treasurer by foreign building and loan association pursuant to this section may be held for exclusive benefit of Wisconsin creditors in event of federal receivership. 27 Atty. Gen. 56.

215.39 Same. The deposit to be made with the state treasurer by any foreign association may consist of bonds or treasury notes of the United States, or bonds of this state or any city, town or county of this state, having authority to issue the same. All interest which may accrue on securities held by the state treasurer may be collected and retained by the association depositing such securities so long as such association remains solvent and performs all contracts with its members. Any securities on deposit as provided herein, if approved by the commissioner of savings and loan associations, may from time to time be withdrawn if others of equal value and of the character named in this section are substituted therefor. If any such securities shall depreciate in value new ones must be added, so that the deposit may at all times be kept good and of the value of \$500,000, and it shall be the duty of the commissioner to revoke the certificate of authority of any such association whenever there exists an impairment of such deposit for a period of more than 30 days after due notice to the association given by such commissioner. [1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

Note: Securities deposited with state treasurer by foreign investment association are to be valued at actual or market value in ascertaining whether required amount is on deposit. 20 Atty. Gen. 588.

215.395 Increase of deposit. Whenever the commissioner shall find that the liability of any foreign savings and loan association or any foreign investment association on shares or contracts then outstanding or contracted for by members or persons residing in

this state, exceeds 90 per cent of the amount of the deposit required by section 215.38 and section 215.39, or exceeds 90 per cent of the amount of the deposit required by such sections and by any order issued under the authority of this section, exclusive in each case, however, of any such liability under any agreement existing, created, regulated or required by the industrial commission under chapter 108 or by any other department, commission or division of state government under any other provision of law, the commissioner shall issue an order to such association or corporation requiring such association or corporation to deposit within 30 days with the state treasurer, an additional amount in cash or securities of the class mentioned in section 215.39, or such other securities as the commissioner shall require and approve. If such order is not complied with within 30 days, the commissioner shall revoke the certificate of authority issued to such association or corporation. [1935 c. 370; 1947 c. 411 s. 6; 1947 c. 612]

215.40 License. No foreign savings and loan association shall do business in this state without having first paid the fees prescribed in this chapter and obtained from the state treasurer a certificate that the deposit required by this chapter has been made, and from the commissioner of savings and loan associations a certificate of authority or license authorizing it to do business in this state, stating that such association has complied with all the provisions of this chapter; and such certificate shall be in force one year unless sooner revoked, and shall be renewed from year to year, and unless so renewed and continued in force such association shall not do business in this state. [1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.41 Conditions precedent. Every foreign savings and loan association, before commencing to do business in this state, shall:

(1) File with the commissioner of savings and loan associations a duly authenticated copy of its charter or articles of incorporation and by-laws, of its certificates of shares and of all printed matter issued by it.

(2) File with the commissioner a certificate of the state officer having charge and supervision of such associations in the state in which incorporated, certifying that such association is legally incorporated and authorized to transact business, and that similar associations incorporated under the laws of this state are permitted and licensed to transact business in such state.

(3) Pay to the commissioner \$100 for filing the papers mentioned in this section. Before granting a license to any such association organized or incorporated under the laws of any other state or foreign government he shall require that every such association shall file in writing an appointment of the commissioner or his successor in office as the attorney upon whom any summons, notice or process of any court of this state may be served and stipulate that service of any such summons, notice or process upon such attorney, in any action brought upon any cause of action arising out of any business or transaction in this state, shall be accepted irrevocably as a valid service upon such association, and copies of said appointment, certified by the commissioner, shall be deemed sufficient evidence of its authority to accept service as the attorney on behalf of any such association. Each such association shall agree, in such appointment of attorney, that the license granted by the commissioner shall cease and be revoked in case such association shall remove or make application to remove into any court of the United States any action or proceeding commenced in any court of this state upon a claim or cause of action arising out of any business or transaction done in this state, and it shall be the imperative duty of the commissioner to revoke any and every authority, license or certificate granted to any such association violating the provisions of this section, and no such association shall have its license or certificate of authority renewed for 3 years after such revocation, and shall agree that in the event of revocation of license such appointment of the commissioner shall continue for the purpose of serving process for beginning actions upon any certificate of stock or liability incurred or contracted in this state while it transacted business therein, so long as any liability shall exist. When legal process against any such association is served upon the commissioner, he shall immediately notify the association of such service by letter and inclose a copy of the process served on him to said association or to any person designated by the officers thereof in writing. The plaintiff, for each process so served, shall pay to the commissioner, or, at the time of such service, a fee of \$2, which shall be recovered by the plaintiff as a part of the taxable costs if it prevail in the suit. The commissioner shall keep a record of all process served on him, which record shall show the day and hour when such service was so made, and all the fees received by him on account of the service of such process shall be paid into the state treasury. [1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.412 False statement in loan applications; penalty. Any person who shall, directly or indirectly, make, or cause to be made, any false signed statement, in any ap-

plication to any savings and loan association for a loan, with intent to mislead, or which may mislead, the officers of such association as to the value of the alterations, improvements or repairs to be made on buildings situated on, or to be constructed upon, the real estate described in such application; or to make or cause to be made any false statement as to his financial condition or income, shall be punished by imprisonment in the county jail not more than 6 months or by a fine not exceeding \$500. [1933 c. 372 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.42 Retaliatory taxes, etc. When, by the laws of any other state or territory, any taxes, fines, penalties, licenses, fees, deposits, money, securities or other obligations or prohibitions are imposed on savings and loan associations of this state doing business in such other state or territory or upon their agents therein, so long as such laws continue in force, the same obligations and prohibitions, of whatever kind, shall be imposed upon all savings and loan associations of such other state or territory doing business in this state and upon their agents here. [1947 c. 411 s. 6; 1947 c. 612]

215.43 Definitions. The name "savings and loan association," as used in this chapter, shall include all societies, organizations or associations doing a mutual savings and loan or investment business on the local mutual savings and loan association plan, whether issuing certificates of stock or bonds, or any other evidences of indebtedness, whether the time of maturity be fixed or not. The word "commissioner" as used in this chapter, shall mean the commissioner of savings and loan associations. The words "book value" shall mean the amount standing to the credit of any member's shares upon the books of the association. The words "withdrawal value" shall mean the book value of shares less the losses existing, or which may reasonably be anticipated by the directors will be sustained in the near future, the amount due for interest, advances made for taxes, insurance or any other charges, withdrawal fees and forfeitures, as the by-laws of such association may provide. [1931 c. 171 s. 2; Spl. S. 1931 c. 23 s. 2; 1933 c. 372 s. 2; 1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.44 Examination; fees. The commissioner of savings and loan associations, before granting a license, shall examine or cause to be examined every foreign savings and loan association applying for permission to transact business in this state, and every such association shall pay the actual cost of making such examinations and shall make such annual report as is required of local associations, comply with all laws applicable to such associations and be subject to the same penalties. [1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

Note: Securities of foreign corporation exempt from operation of blue sky law. 19 admitted to do business in this state on Atty. Gen. 339. building and loan association plan are ex-

215.45 Agents; fee. No person shall act as the agent or representative of any foreign savings and loan association until after he shall, at the request of such association, have procured from the commissioner of savings and loan associations a license reciting the fact that such association is authorized and licensed to transact business in this state and has complied with all lawful requirements. The fee for such license shall be \$25, and the license shall continue in force, unless sooner revoked by the commissioner, during and until the close of the fiscal year of the association. [1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.46 Withdrawing securities. Any foreign savings and loan association, having made the deposit of securities required by this chapter, and desiring to withdraw the same or any of them without depositing securities of like character and amount, or desiring to discontinue its business or withdraw from the state, may do so by complying with the following provisions: File with the commissioner of savings and loan associations a statement reciting the reasons for desiring to withdraw such securities and the amount to be withdrawn; and the commissioner shall thereupon examine such association and determine the amount of its liabilities on account of all agreements or contracts outstanding with residents of this state, and if convinced that the interests of such residents will not be injured or jeopardized by such withdrawal shall cause to be published in 3 newspapers in this state for 3 weeks, at the expense of the association, notice of such request for the withdrawal of such securities, and if no written objection is filed by any resident of this state holding any share, certificate, bond or other evidence of indebtedness of or against such association within one week after the last date of the publication of such request the commissioner shall issue a certificate certifying to the state treasurer the amount of liabilities, if any, existing in this state and the amount of securities such association shall be permitted to withdraw, and upon filing a receipt for such amount the association shall be permitted to withdraw the same; provided, that there shall remain at all times a sufficient deposit to protect residents of this state holding shares, certificates, bonds or

other evidences of indebtedness of or against such association and that such deposit shall decrease only as the liabilities of such association decrease on account of such residents. [1937 c. 284 s. 3; 1947 c. 411 s. 6; 1947 c. 612]

215.47 Receivership. It shall be the duty of the commissioner of savings and loan associations upon evidence furnished to him that any foreign savings and loan association authorized to transact business in this state has failed or refused to pay any final judgment rendered against it in any court of this state, to take such steps as may be necessary to secure the appointment of a receiver therefor. All expenses incurred by the commissioner in carrying out the provisions of this section, when certified to the director of budget and accounts as actually necessary, shall be paid out of the general fund, and charged to the appropriation to the commissioner of savings and loan associations. [1937 c. 284 s. 3; 1947 c. 9; 1947 c. 411 s. 6; 1947 c. 612]

215.48 Savings and loan advisory committee; appeal board. (1) There is hereby established in the department of savings and loan associations a committee to be known as the "Savings and Loan Advisory Committee" consisting of 7 members which shall have such powers and perform such duties as are prescribed by law.

(2) The 7 members of the savings and loan advisory committee shall be appointed by the governor with the advice and consent of the senate. All members of the committee shall have at least 10 years' experience in the savings and loan business in this state. There shall be appointed by the governor one member whose term shall expire on the first Monday of July, 1934, 2 to expire on the first Monday of July, 1935, 2 to expire on the first Monday of July, 1936, 2 to expire on the first Monday of July, 1937. After the expiration of these respective terms the term of each member of said committee shall be 4 years, expiring on the first Monday of July of the proper year in each case. Vacancies shall be filled by appointment by the governor.

(3) The members of said committee shall receive reimbursement from the state for their actual expenses as in case of other state officers.

(4) The duties of such committee shall be to advise with the commissioner and supervisor (or either of them) and others in respect to improvement in the condition and service of savings and loan associations in this state, to review the acts and decisions of the commissioner of savings and loan associations in relation to savings and loan associations, and to serve as an appeal board for savings and loan associations as provided by section 215.04 with the same procedure and powers as the banking review board has with respect to the incorporation of state banks under chapter 220, and to perform such other review functions in relation to savings and loan associations as may be provided by law. The advisory committee shall have the same powers in respect to subpoenaing witnesses as are possessed by the industrial commission and also the power granted by section 325.01 (4). Any party in interest shall have the right to appear in any proceeding of the advisory committee and shall have the right to participate in the examination of witnesses and to present evidence. Any person causing a witness to be subpoenaed shall advance and pay the fees and mileage of such witness which shall be the same as in circuit court. The fees of witnesses who are called at the instance of the advisory committee in the interests of the state shall be paid by the state in the same manner that other expenses are audited and paid upon presentation of properly verified vouchers approved by at least one member of the advisory committee and charged to the appropriation of the commissioner of savings and loan associations. Each member of the committee, the supervisor and all employes of the commissioner of savings and loan associations shall, with respect to the disclosure of information concerning savings and loan associations, be subject to the same requirements and penalties as the commissioner. Four members of the committee shall constitute a quorum, and a majority shall decide. No member of the committee shall be qualified to act in any matter involving the association of which he is an officer or director.

(5) The advisory committee shall meet during the month of July of each year and elect one of its members as chairman and one as vice chairman. They shall appoint one of the employes of the commissioner of savings and loan associations as secretary, shall adopt rules and regulations for holding and conducting meetings, for holding, hearing and conducting examinations and other matters, and shall keep a record of all matters transpiring at their meetings. Such record shall contain all motions, by whom made and seconded, and each member's vote on each question. The commissioner may submit questions and matters pertaining to savings and loan associations to such committee and they shall act promptly upon all such matters and questions.

(6) The commissioner may appoint one or more members of the committee to examine and look into the matters of any association and require a report and findings upon such examination. The committee may upon its own motion with the affirmative vote of at least 5 members, appoint one or more of its members to examine any association and

submit its findings and report to the committee and commissioner; the committee shall thereupon make recommendations to the commissioner as to the report and findings of its members who shall have examined an association.

(7) Any member of the committee who shall have been appointed as provided in subsection (2) of this section, shall have the same powers and duties in making examinations as have the examiners provided for in this chapter.

(8) Any final order or determination of the savings and loan advisory committee shall be subject to review in the manner provided in chapter 227.

(9) Any interested person or any savings and loan association aggrieved by any act, order or determination of the commissioner which relates to savings and loan associations may, within 20 days from the date of such act, order or determination, apply to the savings and loan advisory committee to review the action of the commissioner. All such applications for review shall be considered and disposed of as speedily as possible. The savings and loan advisory committee may require the commissioner to submit any of his official actions relating to savings and loan associations to said committee for its approval. [1933 c. 250 s. 2; 1933 c. 372 s. 3; 1937 c. 284 s. 3; 1941 c. 320; 1945 c. 438; 1947 c. 411 s. 6; 1947 c. 534 s. 16; 1947 c. 612]

215.49 Action to revoke charter or permit. Whenever it shall come to the knowledge of the commissioner that any association or corporation which has received a charter or permit to do business in this state, as provided in this chapter, is conducting its business in violation of, or contrary to, any of the provisions of this chapter, the commissioner shall report such facts to the attorney-general who may bring an action to have the charter or permit of such association or corporation revoked. [1933 c. 372 s. 3; 1937 c. 284 s. 3; 1947 c. 411 s. 6]

215.50 Savings and loan finance corporation. (1) **INCORPORATION; ORGANIZATION CERTIFICATE.** When authorized by the commissioner, who shall determine the necessity therefor, 10 or more associations, the aggregate resources of which shall not be less than \$5,000,000, may form a savings and loan finance corporation. Each of such associations shall subscribe, acknowledge and submit to the commissioner an organization certificate in duplicate which shall specifically state:

(a) The name which shall contain the words "Savings and Loan Finance Corporation."

(b) The place in the state where its business is to be transacted.

(c) The number of shares for which each association has subscribed, which shall amount in the aggregate to not less than \$10,000.

(d) The number of directors of such corporation, which shall not be less than 9, and the names of the persons who shall be its directors until the first annual meeting. The certificate shall recite that the directors possess the qualifications specified in subsection (10) of this section.

(e) The name and location of the business office of each savings and loan association subscribing the certificate and the aggregate resources of each such association.

(2) **PROPOSED BY-LAWS.** The incorporators shall subscribe and acknowledge and submit to the commissioner proposed by-laws in duplicate, which shall prescribe the manner in which the business of such savings and loan finance corporation shall be conducted with reference to the following matters:

(a) The date during the month of January of the annual meeting of shareholders; the manner of calling special meetings, and the number of members which shall constitute a quorum.

(b) The number and qualifications of directors, subject to the provisions of subsection (10) of this section; the method of division into classes for the purpose of electing, as nearly as may be, an equal number of directors each year; the removal or suspension of directors; the filling of vacancies in the board of directors, and the number of directors which shall constitute a quorum, which shall not be less than 5.

(c) The meetings, powers and duties of directors; the appointment or election of appraisal, supervisory and auditing committees.

(d) The officers; the manner of their election; their terms of office, duties and compensation; and the bonds which shall be required of officers who have the custody or possession of money; securities or property of the corporation.

(e) The annual commission that may be charged each member, subject to the limitations of subsection (9) of this section.

(f) The transfer of membership, subject to the limitations of subsection (8) of this section.

(g) The manner in which the by-laws may be altered or amended.

(3) **WHEN CORPORATE EXISTENCE BEGINS; CONDITIONS PRECEDENT TO COMMENCING BUSINESS.** When the commissioner shall have indorsed his approval on the organization

certificate, the corporate existence of the savings and loan finance corporation shall begin and it shall then have power to elect officers and transact such other business as relates to its organization; but such corporation shall transact no other business until:

(a) Subscriptions to its shares aggregating \$100,000 shall have been paid in cash and an affidavit stating that such subscriptions have been so paid, subscribed and sworn to by its 2 principal officers, shall have been filed with the secretary of state and a certified copy thereof in the office of the commissioner.

(b) The commissioner shall have duly issued to it an authorization certificate.

(4) GENERAL POWERS. In addition to the powers conferred by the general corporation law, a savings and loan finance corporation shall, subject to the restriction and limitations contained herein and in its by-laws, have the following powers:

(a) To borrow money, and issue its evidences of indebtedness therefor.

(b) To issue, sell, redeem and refund unsecured notes, secured notes, bonds and debentures, and for any such purpose, to assign or pledge any association securities held by it.

(c) 1. To loan money to its member associations on their secured or unsecured notes.

2. Loans to member associations shall not run for a longer period than 10 years; nor shall the total amount borrowed by a member association, whether borrowed from the finance corporation or elsewhere, exceed two-fifths of the assets of such member association. The provisions of section 215.07 (2) shall not apply to loans made to member associations.

3. To secure the payment of any loan from a savings and loan finance corporation, a member association:

a. May assign to or pledge with the finance corporation any bond and shareholder mortgage or any association land contract owned and held by the member association, and

b. May execute and deliver to the finance corporation, an association mortgage or association trust deed on any association real estate owned by the member association. A finance corporation shall have the right to assign or pledge such association securities as provided in paragraph (b) of this subsection.

(d) To authorize such member associations as agents of the savings and loan finance corporation to collect and immediately pay over to it the dues, interest and other sums payable under the terms, conditions and covenants of its pledged or assigned bond and shareholders' mortgages or, prior to a default upon any such bond and mortgage and when adequate security has been given to the corporation by any such member association, to retain such collections until a payment to the corporation from such member association becomes due; to return to, or permit such member associations to retain any sums of money so collected in excess of the amount required to meet the obligations of such associations respectively.

(e) 1. Upon any default by a member association in the payment of all or part of the principal or all or part of the interest when due to the savings and loan finance corporation:

a. To declare, at its option, all sums owing to it from the member association to be due and payable at once; and

b. In addition to all remedies granted by law, to sell at public sale on 10 days' notice all bonds and shareholders' mortgages and association land contracts assigned or pledged to it by the member association, to become a purchaser at such sale, and after such purchase to liquidate, refinance or continue such bonds and shareholders' mortgages and association land contracts to maturity; and

c. In addition to all remedies granted by law, to enforce and foreclose any association mortgage and association trust deed executed to it by such member association, to have a receiver appointed forthwith for the real estate described in such mortgages and trust deeds, and to become a purchaser of such real estate at any foreclosure sale thereof;

2. If any of the association securities referred to in the preceding paragraph are assigned to or pledged with the commissioner, the consent of the commissioner to the sale or foreclosure thereof shall first be had, whereupon such sale or suit may be had or maintained in the name of the savings and loan finance corporation.

(f) To invest its capital and other funds and moneys in the manner provided for the investment of trust funds.

(g) To purchase in its own name, hold and convey real property for the following purposes and no others:

1. A plot whereon there is or may be erected a building suitable for the convenient transaction of its business, from portions of which, not required for its own use, a revenue may be derived.

2. Such as shall be mortgaged to it in good faith, by way of security for loans made by it or moneys due to it.

3. Such as shall be conveyed to it for debts previously contracted in the course of its business, and such as it shall purchase at sales under judgments, decrees or mortgages held by it.

(h) To designate as depositories of its funds any bank, trust company or savings bank of this state, or any national banking association located in this state doing a banking business under the laws of the United States.

(i) To borrow money from the state teachers' retirement fund, the state insurance fund, and from any other state investment fund, and any association.

(5) RESTRICTIONS UPON THE POWERS OF THE CORPORATION. A savings and loan finance corporation shall not:

(a) Do a general deposit business.

(b) Invest its capital and other funds in bonds secured by first mortgages on real estate if the amount secured by any such mortgage is in excess of 75 per centum of the appraised value of such real estate.

(c) Invest more than 25 per centum of its surplus in real estate occupied, or to be occupied, by it for office purposes, without the written approval of the commissioner.

(6) DEBENTURES. (a) Subject to the limitation of subsection (4) (a) hereof, a savings and loan finance corporation may issue its debentures in series of not less than \$10,000 upon assigning to and pledging with the commissioner as trustee for the holders thereof, any or all of its corporation securities.

(b) Only such securities as are first liens on the real estate described therein shall be assigned or pledged.

(c) The corporation shall at all times maintain on assignment or pledge with the commissioner, corporation securities of the kind herein described on which the aggregate unpaid balance shall exceed the aggregate face value of the debentures issued against such securities in such proportion or proportions as the commissioner shall from time to time determine except that the excess shall never be less than 50 nor more than 100 per cent.

(d) The commissioner shall permit the withdrawal and substitution of such corporation securities under such reasonable rules as it shall from time to time establish, provided always that the required excess of corporation securities shall be maintained.

(e) The amortization payments upon all mortgages accepted by the corporation as collateral security for bonds shall be sufficient to liquidate the debt in a period not exceeding 20 years.

(f) In the event of any default for more than 90 days in the payment of the principal of, or for more than 90 days in the payment of any instalment of interest upon, any of said debentures, or the failure for 5 days after notice to maintain the required excess of corporation securities, the commissioner may, of his own motion, and shall, upon the request in writing of the holders of said debentures in default to the amount of \$10,000, forthwith take possession of and proceed to liquidate such defaulting savings and loan finance corporation. Upon such liquidation the commissioner shall be entitled in the name of the corporation to enforce all of its rights and securities and to collect and realize upon all of its assets, including all securities assigned to the said corporation by the several member associations, and deposited with the commissioner, up to the amounts advanced by the corporation to the several member associations thereon. Upon such liquidation all said debentures then issued and outstanding shall forthwith become due and payable equally and ratably out of all assets of said corporation in advance of any other debts thereof not specifically preferred by law, except that nothing herein shall invalidate or affect a prior lawful pledge or assignment of any of its corporation securities or assets by the corporation to others than the commissioner.

(g) Debentures issued in conformity with the above provisions of this subsection and under the authority of this section shall be countersigned by the commissioner or his duly authorized deputy and when so countersigned shall be a lawful investment for trust funds in this state and for the state teachers' retirement fund, the state insurance fund and any other state investment fund.

(7) GUARANTY FUND. The savings and loan finance corporation shall accumulate from its profits a guaranty fund by carrying thereto annually a sum equal to one-half of one per centum of its capital, until such guaranty fund shall be equal to at least 15 per centum of such capital.

(8) MEMBERSHIP; LIABILITY; TRANSFER OF SHARES. (a) Every member shall pay \$100 for each share of the capital of the savings and loan finance corporation issued to it, provided that no association shall subscribe for or hold shares of such capital to an amount in excess of 10 per cent of the resources of such association.

(b) Such shares shall not be transferable, except that a member which is not liable to the corporation for any obligation direct or contingent, may transfer its shares therein to another savings and loan association, by and with the consent of the board of directors

of the corporation; or it may retire from membership and receive back the value of such shares as shown on the books of the corporation but not exceeding the sums as it has paid for its shares, upon giving one year's notice in writing of such intention, but no withdrawal shall be permitted by the board of directors, which shall reduce the total amount of the capital of the corporation below \$50,000.

(9) COMMISSIONS AND PAYMENTS OF EXPENSES. A savings and loan finance corporation may charge each member association semiannually a commission not exceeding one quarter of one per centum of the average outstanding debt of the member association to it during such period, provided that the rate of charge shall be uniform to all member associations.

(10) QUALIFICATIONS AND DISQUALIFICATIONS OF DIRECTORS; BOND. All of the directors of the savings and loan finance corporation must reside in the state of Wisconsin during their term of office, and all must be citizens of the United States. No person shall be elected a director unless he is a shareholder of a member association and has been nominated by it for that office; and every person elected to be a director who, after such election, shall cease to be a shareholder of a member association, shall cease to be a director of the corporation, and his office shall be vacant. Directors who have the custody or possession of money, securities or property shall give bond to the corporation in an amount commensurate with their liabilities as approved by the commissioner.

(11) OATH OF DIRECTORS. Each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of the savings and loan finance corporation, and will not knowingly violate, or willingly permit to be violated, any of the provisions of law applicable to such corporation and that he is the owner in good faith and in his own right on the books of the association which nominated him of 5 shares of paid-up stock, or other shares of the withdrawal value of 5 shares of paid-up stock, and that the same is not hypothecated, or in any way pledged as security for any loan or debt and, in case of re-election that such share was not hypothecated or in any way pledged as security for any loan or debt during his previous term. Such oath shall be subscribed by the directors and officers making it, and certified by an officer authorized by law to administer oaths, and immediately transmitted to the commissioner.

(12) CHANGE OF NUMBER OF DIRECTORS. The members of the savings and loan finance corporation may at any time change the number of its directors by amending its by-laws in accordance with the provisions of this section.

(13) OFFICERS; POWERS; DUTIES AND COMPENSATION. (a) The by-laws of the savings and loan finance corporation shall specify its officers, the manner of their election, and their terms of office.

(b) The officers who have the custody or possession of money, securities or property shall give bond to the association as provided in the by-laws. They shall receive such compensation as is prescribed in the by-laws and shall hold office until their successors are elected and have qualified.

(14) ANNUAL MEETING; NOTICE; VOTING. The annual meeting of the savings and loan finance corporation, for the election of directors, shall be held at its principal place of business in January in each year. Notice of the time and place of holding such election shall be given by mailing a copy of such notice postage prepaid to each shareholder of the corporation 10 days before the holding of such meeting. Each member shall be entitled to one vote for every share of the capital standing in its name on the books of the corporation.

(15) PREFERENCE OF CREDITS. All the property of any bank, trust company or savings and loan association which shall become insolvent shall be applied by the trustees, assignees or receivers thereof or by the commissioner in the first place to the payment in full of any sum or sums of money deposited therewith by the savings and loan finance corporation or due to it for subscriptions, sinking funds, interest and principal of bonds, or guaranty of mortgages, ratably and proportionately but not to an amount exceeding that authorized to be so deposited or contracted by the provisions of this section and in accordance and on an equality with any other preference provided for in this section.

(16) CORPORATION AND ITS DEBENTURES NOT LIABLE FOR TAXATION. (a) The debentures issued by the savings and loan finance corporation and such corporation itself, together with its capital, accumulations and funds, shall have the same exemption from taxation as savings and loan associations. No law which taxes corporations in any form, or the shares thereof, or the accumulations therein, shall be deemed to include the finance corporation or its issues of debenture bonds unless they are specifically named in such law.

(17) **POWERS OF COMMISSIONER.** (a) All savings and loan finance corporations shall upon request by the commissioner, if he shall find necessity thereof, make reports to the commissioner and be examined by him in the same manner as provided for savings and loan associations in sections 215.31 and 215.32.

(b) The bonds of all officers of finance corporations shall be approved by and filed with the commissioner.

(c) Any default described in subsection (4) (e) hereof shall be cause and ground for the commissioner to take possession of and liquidate such defaulting association as provided in section 215.33.

(18) **DEFINITIONS.** When used in this section, unless the context clearly indicates otherwise, the following words shall have the meaning here set after them:

(a) The term "association" shall mean a savings and loan association organized under the laws of this state or the United States.

(b) The term "member association" shall mean an association which is a member of a savings and loan finance corporation.

(c) The term "commissioner" shall mean the commissioner of savings and loan associations.

(d) The term "bonds and shareholders' mortgages" shall mean the bonds and mortgages executed by borrowing shareholders of an association to the association.

(e) The term "association land contracts" shall mean land contracts executed by an association on association real estate owned by it to a purchaser thereof.

(f) The term "association real estate" shall mean real property owned and held by an association in fee simple.

(g) The term "association mortgages" shall mean mortgages executed by an association to a savings and loan finance corporation on association real estate.

(h) The term "association trust deed" shall mean trust deeds executed by an association to a savings and loan finance corporation on association real estate to secure the payment of a debt from the association to such corporation.

(i) The term "association securities" shall mean and include all bonds and shareholders' mortgages, association land contract, association mortgages and association trust deeds of a member association assigned to or executed to a savings and loan finance corporation or pledged with such a corporation as security for moneys loaned by it to the association.

(j) The term "corporation securities" shall mean and include all association securities assigned to or pledged with the commissioner by a savings and loan finance corporation to secure the payment of its debentures.

(k) The term "debentures" shall mean the debentures defined in subsection (6) hereof. [1933 c. 354; 1935 c. 271; 1937 c. 284 s. 3; 1939 c. 240; 1941 c. 320; 1943 c. 516; 1947 c. 411 s. 6; 1947 c. 612]

215.505 Financial aid to associations. For the purpose of extending aid and credit to associations any number of local savings and loan associations may, with the approval of the commissioner, organize and operate a national mortgage company as provided in the national housing act approved June 27, 1934; the capital, surplus and earnings of such mortgage company so organized shall have the same exemptions from taxation as savings and loan associations. [1937 c. 236; 1947 c. 411 s. 6; 1947 c. 612]

[215.51 Stats. 1941 repealed by 1943 c. 512, 516]

215.52 Conversion. (1) Any local savings and loan association may convert itself into a federal savings and loan association organized and existing under the laws of the United States of America, and any federal savings and loan association may convert itself into a local savings and loan association, by the following procedure hereinafter outlined:

(a) A meeting of the shareholders shall be held upon not less than 10 days' written notice to each shareholder, served either personally or by mail, postage prepaid, directed to him at his last known post-office address, and containing a statement of the time, place and the purpose for which such meeting is called.

(b) At such meeting, the shareholders may by the affirmative vote in person or by proxy of 66% per cent of the dollar value of outstanding shares of the association declare by resolution the determination to convert such association into a federal savings and loan association or into a local savings and loan association. A copy of the minutes of such meeting, verified by the affidavit of the chairman and the secretary of the meeting, shall be filed in the office of the commissioner of savings and loan associations within 10 days after the date of such meeting. Such sworn copy of the minutes of such meeting when so filed shall be presumptive evidence of the holding of and of the action taken at such meeting.

(c) If the shareholders shall have voted to convert the association, the secretary shall serve notice either personally or by mail, postage prepaid, directed to them at their last

known post-office address, on all shareholders of such action within 30 days after such meeting. Any shareholder may, within 30 days after service of the notice as herein provided of the action taken at such meeting, give written notice that he desires to withdraw his shares. Such shareholder shall be entitled to and receive the amount standing to his share credits on the books of the association, less any amount due the association for advances made or any other item.

(d) Within 6 months after the adjournment of a meeting of shareholders called for the purpose of converting the association into a federal savings and loan association, the association shall take such action as may be necessary to make it a federal savings and loan association, and within 10 days after the receipt of the federal charter or a certificate of organization there shall be filed with the commissioner a copy of said charter or certificate of organization certified by or on behalf of the federal home loan bank board. Upon the filing of such instrument, the association shall cease to be a local association and shall thereafter be a federal savings and loan association. Within 6 months after the adjournment of a meeting of shareholders called for the purpose of converting the association into a local savings and loan association the commissioner shall examine such association and shall determine the action necessary to qualify the association for a state charter. Upon complying with the necessary requirements a state charter shall be issued to such association.

(2) At the time when such conversion from a local association to a federal savings and loan association becomes effective, the association shall cease to be supervised by this state.

(3) The legislature intends that the provisions contained in the several subsections of this section shall be independent of each other and that the invalidity for any reason of any subsection or clause thereof shall not affect the validity of any other clause or subsection of this section. Any provision of the statutes inconsistent with the provisions of this section is hereby repealed.

(4) Upon the conversion of any local savings and loan association into a federal savings and loan association and upon the conversion of a federal savings and loan association into a local savings and loan association operating under the laws of this state, the corporate existence of the converting association shall not terminate, but the federal savings and loan association or local savings and loan association resulting from such conversion shall be deemed to be a continuation of the entity of the converting association and all property of the converting association, including its rights, titles and interest in and to all property of whatsoever kind, whether real, personal or mixed, and things in action and every right, privilege, interest and asset of any conceivable value, or benefit, then existing or pertaining to it, or, which would inure to it, shall immediately by act of law and without any conveyance or transfer and without any further act or deed, remain and be vested in and continue and be the property of the association resulting from such conversion, and such association shall have, hold and enjoy the same in its own name as fully and to the same extent as the same was possessed, held and enjoyed by the converting association, and the association resulting from such conversion as of the time of the taking effect of such conversion shall continue to have and succeed to all of the rights, obligations and relations of the converting association. All pending actions and other judicial proceedings to which the converting association is a party shall not be deemed to have abated or to have discontinued by reason of any such conversion, but may be prosecuted to final judgment, order or decree in the same manner as if the conversion had not been made and the association resulting from such conversion may continue such action in its corporate name as a federal savings and loan association or a local savings and loan association, as the case may be, and any judgment, order or decree may be rendered for or against it which might have been rendered for or against the converting association theretofore involved in such judicial proceedings.

(5) Before any conversion of any association as provided for in this section shall be final and in effect, the written approval of the commissioner must be secured by such association. [1939 c. 140, 482; 1943 c. 516, 568; 1947 c. 411, s. 6; 1947 c. 612]