

1975 Assembly Bill 1161

Date published: June 15, 1976

CHAPTER 359, Laws of 1975

AN ACT to repeal 215.075 (16), 215.08 (1) and (4), 215.185 except (12), 215.186 and 215.30 (5); to renumber 215.03 (8) and (9), 215.05, 215.06, 215.07, 215.075 (title) and (1) to (15), 215.08 (title), (2), (3) and (5) to (8), 215.09, 215.10, 215.185 (12), 215.27, 215.28 to 215.29, 215.30 (1) to (4) and 215.31; to amend 15.821 (1), 215.01, 215.02 (6) (a), (10), (11), (15) (a) and (16) (b), 215.03 (3) and (6) (a), 215.04 (1) (d) and (g), 215.13 (title), (1), (2), (3), (6), (8), (9), (30), (31), (38) and (40), 215.15 (title) and (1), 215.16 (title), (1), (3), (6), (7) (a), (9) and (10), 215.17 (1), (4) (a), (c) and (d), (5) and (7), 215.18 (2) and (5), 215.19 (1), 215.20 (title), 215.21 (1) (intro.), (5) (a), (6) (b), (7) (intro.), (a), (b) and (c), (12), (16) and (29), 215.22 (title) and (1), 215.23 (1) (intro.) and (3), 215.24 (5) (a) 2, 215.32 (1) (e), (7) (a) and (c), (12) and (13) and 551.22 (4); to amend as renumbered 215.26 (8), 215.40 (title), (1), (2), (6) (a), (c) and (e), (12) and (13) (a) 4, 5 and 9, 215.41 (title), (1), (3), (4) and (6), 215.42 (title) and (1), 215.43 (title), (1), (2) and (6) (title) and (a), 215.50 (title), (1), (2), (6), (10) and (12) (title), 215.51 (title) and (1), 215.53 (title), (1) and (3), 215.54 (title), (1) and (3), 215.55 (title), (1), (2), (4), (5) and (6), 215.56 (title), (1), (2), (4), (6), (7)

and (8) (c), 215.57 (title), (1) (intro.), (b), (c) and (d), (2) and (3), 215.60 (1), (2), (4) (title), (6), (8) and (11) (a) 4, 6 and 7 and 215.70 (2); to repeal and recreate 215.14 and 215.17 (3); and to create subchapter I (title) and subchapters II and III of chapter 215 and 215.43 (3) of the statutes, relating to separating the general provisions on savings and loan associations from those which apply solely to mutual, and those which apply solely to capital stock, savings and loan associations.

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

SECTION 1. 15.821 (1) of the statutes is amended to read:

15.821 (1) SAVINGS AND LOAN REVIEW BOARD. The savings and loan review board shall have the program responsibilities specified for the board under ss. 215.02 (1), (6) (a), (7) (a), (10) (a) and (16) (b) and (d), 215.03 ~~(9) (8) (c)~~, 215.04, ~~215.05 (1), 215.06 (1), 215.07 (18), 215.09, 215.13 (26) (e), 215.16 (7) 215.16 (7) (a), 215.19 (4), 215.21 (5) (a), 215.24 (4), 215.30 (1) and (2) and, 215.32 (1), 215.40 (18), 215.41 (1), 215.42 (1), 215.55 (1) and (2), 215.60 (15), 215.61 (1), 215.62 (1) and 215.75 (1) and (2).~~

SECTION 2. Subchapter I (title) of chapter 215 of the statutes is created to read:

CHAPTER 215

SUBCHAPTER I

GENERAL PROVISIONS ON SAVINGS AND LOAN ASSOCIATIONS

(to precede s. 215.01)

SECTION 3. 215.01 of the statutes is amended to read:

215.01 Definitions. In this chapter:

(1) "Association" means a savings and loan association, a building and loan association or a savings association, ~~utilizing either mutual or operating as a mutual or capital stock corporation.~~

(2) "Board" means the board of directors of an association.

(3) "Branch office" means a place of business, other than the home office, where the business of an association ~~as described in this chapter is carried on is conducted.~~

(4) "Bylaws" means the bylaws of a given association.

~~(4) (5) "Capital stock" of a capital stock association organized under this chapter means the aggregate of the shares of nonwithdrawable shares of capital stock owned issued by stockholders of the a stock association.~~

~~(5) (6) "Commissioner" means the commissioner of savings and loan.~~

~~(6) (7) "Earnings" means the return paid on or credited to savings accounts, and may be designated as earnings, dividends or interest.~~

~~(7) (8) "Federal savings and loan association" means a savings and loan association organized pursuant to an act of congress, approved June 30, 1933, entitled "the Home Owners' Loan Act of 1933", and any acts amendatory thereof and supplementary thereto.~~

(8) (9) "Foreign association" means a savings and loan association organized under the laws of any other state or territory, but does not include a federal association.

(9) (10) "Guaranteed mortgage loans" means loans wholly or partially guaranteed by the administrator of veterans' affairs of the U.S. veterans

administration under the servicemen's readjustment act of 1944, P.L. 78-346, and acts amendatory thereof and supplementary thereto.

~~(10) "Capital stock" means stock issued by a capital stock association which cannot be withdrawn or the value paid to the holder thereof until all liabilities of the association have been fully liquidated and paid.~~

(11) "Home office" means the principal place of business of an association.

(12) ~~(a)~~ "Impairment of capital stock" ~~in a mutual association~~ means that the assets of ~~the a stock~~ association do not have an aggregate appraised value equal to the ~~savings capital and other~~ aggregate of the following:

(a) Savings accounts.

(b) Capital stock.

(c) Other liabilities of the association.

~~(b)~~ ~~(13)~~ "Impairment of capital" ~~in a capital stock association~~ savings accounts" means that the assets of ~~the an~~ association do not have an aggregate appraised value equal to the aggregate savings capital, accounts and other liabilities ~~and capital~~ of the association.

~~(13)~~ ~~(14)~~ "Insured association" means an association whose ~~members'~~ savings accounts are insured by the federal savings and loan insurance corporation.

~~(14)~~ ~~(15)~~ "Insured loans" means loans wholly or partially insured by ~~the federal housing administrator or any other~~ a state or federal agency.

~~(15)~~ ~~(16)~~ "Legal reserve" means the required statutory reserve, ~~irrevocably established out of the association's net income,~~ for the sole purpose of absorbing losses.

~~(16)~~ ~~(a)~~ ~~(17)~~ "Member" of a mutual association means a person holding owning a savings account, ~~a borrower or an obligor in a mutual association or being a borrower from or obligor of the association.~~

~~(b)~~ "Member" of a capital stock association ~~means a person who is a stockholder.~~

(18) "Mutual association" means a mutual savings and loan association.

~~(17)~~ ~~(19)~~ "Net income" means the gross income for any period, less the aggregate of the following:

(a) Operating expenses;

(b) Real estate expenses;

~~(c) Losses sustained on the sale of securities, real estate and other assets that were not charged to reserves~~ Earned distributions on savings accounts;

(d) Interest paid or accrued on all borrowed money;

(e) Other nonoperating ~~charges~~ expenses;

(f) Losses on sale of assets not charged to reserves; and

~~(f)~~ (g) State and federal income taxes.

~~(18) "Net operating income" means the gross operating income for an accounting period less the operating expenses.~~

(20) "Net worth" means:

(a) In a capital stock association, the aggregate of the following:

1. Capital stock;
2. Paid-in surplus;
3. Legal reserve;
4. Federal insurance reserve;
5. Other general reserves;
6. Other reserves, exclusive of valuation reserves and depreciation reserves;
7. Undivided profits; and
8. Earned surplus.

(b) In a mutual association, the aggregate of the following:

1. Legal reserve;
2. Federal insurance reserve;
3. Other general reserves;
4. Other reserves, exclusive of valuation reserves and depreciation reserves; and
5. Undivided profits and earned surplus.

~~(19)~~ (21) "Office" means the office of the commissioner of savings and loan.

~~(20) "Operating expenses" mean all expenses paid or accrued during an accounting period exclusive of interest charged on borrowed money, losses sustained on the sale of assets, and other nonrecurring charges.~~

~~(21) "Operating income" means all income received during an accounting period, exclusive of nonrecurring income.~~

~~(22) "Review board" means the savings and loan review board.~~

~~(23) "Saver" means a person who is an owner of a savings account in a given association.~~

~~(24) "Savings account" means the monetary interest of the owner thereof in the aggregate of savings capital of an accounts in the association and consists of the withdrawal value of the such interest.~~

~~(24) "Savings capital" means the aggregate savings accounts authorized by rules of the commissioner and earnings credited thereto, less withdrawals, redemption or depreciation charges made under this chapter.~~

~~(25) "Savings liability" means the aggregate of members' savings accounts in a capital stock association.~~

~~(26)~~ (25) "State chartered savings and loan association" means an a savings and loan association organized under this chapter for the purpose of raising money to be loaned.

(26) "Stock association" means a capital stock savings and loan association.

(27) "Stockholder" means all persons a person owning one or more shares of capital stock in a capital stock association.

(28) "Withdrawal value of a savings accounts account" means the aggregate of deposits made thereon in a savings account and the total earnings credited thereto, less withdrawal payments and depreciation charges.

SECTION 4. 215.02 (6) (a), (10), (11), (15) (a) and (16) (b) of the statutes are amended to read:

215.02 (6) (a) The commissioner, and all other officers and employes of the office, and members of the review board shall keep secret all the facts and information obtained in the course of examinations, except ~~so~~:

1. So far as the public duty of such person requires him to report upon or take special action regarding the affairs of any association,~~and except when.~~

2. When called as a witness in any criminal proceeding or trial in a court of justice;~~and except that such officers and employes may, under.~~

3. Under rules prescribed by the commissioner, compare for the purpose of comparing notes as to matters affecting an association with an examiner of the federal home loan bank board or federal savings and loan insurance corporation as to any association whose share savings accounts are insured by the federal savings and loan insurance corporation.

4. The commissioner may furnish:

a. Furnish to the federal home loan bank board or federal savings and loan insurance corporation or to any official or examiner thereof a copy of any examination made of any association or of any report made by such association,~~and may give.~~

b. Give access to and disclose to the federal home loan bank board, federal savings and loan insurance corporation or to any official or examiner thereof any information possessed by him about the conditions or affairs of any association whose share savings accounts are insured by the federal savings and loan insurance corporation.

(10) REMOVAL OF OFFICERS OR DIRECTORS. (a) 1. Whenever the commissioner is of the opinion that the loaning, investing or other policies or practices of any officer or director of any association have been prejudicial to the best interest of such association or its members savers, or that such policies or practices, if put into operation or continued, will endanger the safety or solvency of said association or impair the interests of its members, savers he may, with the approval of the review board, request the removal of such officer or director.

2. Such request shall be served on the association and on such officer or director in:

a. In the manner provided by law for serving summons in a court of record; or shall be transmitted to said association and officer or director by

b. By registered mail with return receipt requested.

3. If such request for removal is not complied with within a reasonable time fixed by the commissioner he may by order, with approval of the review board, remove such officer or director,~~but no.~~ No order of removal shall may be entered until after an opportunity for hearing before the review board is given to such officer or director upon not less than 10 days' notice.

5. An order of removal shall take effect as of the date issued. A copy of such order shall be served upon the association and upon such officer or director in the manner provided by law for service of a summons in a court of record or by mailing such copy to such the association or officer or director at his last known post-office address. Any removal under this subsection shall be effective in all respects ~~the same~~ as if made by the board of directors or members the members or stockholders of said the association. Any officer or director removed from office under this subsection shall may not be reelected as an officer or director of any association without the approval of the commissioner and the review board. An order of removal under this subsection shall be deemed a final order or determination of the review board within the meaning of s. 215.04 (4).

(b) The commissioner may appoint any ~~member~~ person to fill the vacancies

caused by removal of officers or directors. ~~The members~~ Any person so appointed shall hold office until the next annual meeting of the members or stockholders.

(11) ANNUAL REPORT TO THE GOVERNOR AND LEGISLATURE. (a) In his annual report under s. 15.04 (4), the commissioner shall include a statement concerning the general conduct and condition of associations doing business in this state, including such facts and suggestions as he deems expedient. The annual report shall be based upon the individual annual reports of associations filed with him, and shall also include the information required in ~~s. ss.~~ ss. 215.32 (7) (a), 215.56 (8) (a) and 215.76 (8) (a).

(b) The commissioner shall designate the number of copies of the report to be made available for distribution. Each association ~~shall be~~ is entitled to one copy, ~~the remainder to be for general distribution.~~

(15) (a) ~~If a~~ 1. Within 10 days after any of the following petitions have been filed with the commissioner, the commissioner shall proceed to hear the same:

a. A petition is filed with the commissioner stating that an association fails to pay its debts on demand, ~~or when not.~~

b. A petition signed by not less than 25 members of savers in an association file with the commissioner a petition, stating that: 1) the association or the officers or directors of such the association fail to honor requests for the withdrawal request of savings accounts under this chapter, or stating that; 2) the officers or directors are conducting the business of the association in an unsafe or unauthorized manner, or stating that; 3) by the acts or negligence of officers or directors the funds or assets of the association are or may become impaired, the commissioner shall, within 10 days after its receipt, proceed to hear such petition. A copy of the petition shall be mailed or delivered to the association at least 3 days before the hearing.

2. Not less than 3 days before the date of hearing, a copy of the petition and a notice stating the date, time and place for the hearing shall be mailed or delivered to the association and the party petitioning.

(16) (b) *Annual fee.* In addition to such capital fee, associations organized ~~pursuant to~~ under this chapter shall, on or before July 15, pay an annual fee as determined by the commissioner and the review board, but not exceeding 12 cents per \$1,000 of assets or fraction thereof, as of the close of the preceding calendar year.

SECTION 5. 215.03 (3) and (6) (a) of the statutes are amended to read:

215.03 (3) SPECIAL EXAMINATIONS. Special examinations shall be made upon written request of 5 or more ~~members~~ savers, they guaranteeing the expense.

(6) (a) ~~All associations~~ 1. Not later than February 1 of each year each association subject to the supervision and control of the commissioner shall file with ~~said the~~ the commissioner, ~~not later than February 1, an annual a~~ report of ~~their~~ its activities of the preceding year, upon forms furnished by the commissioner. ~~This annual~~

2. The report shall include a:

a. A true and verified copy of a statement of condition as at of the close of December 31 of the preceding calendar year, a;

b. A statement of its operations during that period; and such

c. Such other information as the commissioner requires.

3. Attached to the annual report shall be a copy of the a printed statement of condition, as of December 31, which shall be available to the members savers of the association and, in the case of a stock association, its stockholders.

SECTION 6. 215.03 (8) and (9) of the statutes are renumbered 215.03 (7) and (8).

SECTION 7. 215.04 (1) (d) and (g) of the statutes are amended to read:

215.04 (1) (d) Serve as an appeal board for associations under s. ~~215.07 (18)~~ 215.40 (18) and 215.60 (15);

(g) 1. Conduct examinations of associations by one or more of its members when said members are so appointed ~~by~~;

a. ~~By~~ the commissioner and required to submit a report and findings of such examination to the commissioner; ~~or when said members are so appointed upon~~

b. Upon motion of the ~~advisory committee review board~~, with the affirmative vote of 5 members, and required to submit its findings and report to the ~~advisory committee review board~~ and the commissioner. ~~The advisory committee~~

2. Upon completing its examination the review board shall ~~thereupon~~ make recommendations to the commissioner as to the report and its findings. ~~Any~~ In making examinations a member of the ~~advisory committee review board~~ appointed under this paragraph shall have the same powers and duties, ~~in making examinations~~, as examiners under this chapter.

SECTION 8. 215.05 of the statutes is renumbered 215.41, and 215.41 (title), (1), (3), (4) and (6), as renumbered, are amended to read:

215.41 (title) Articles of incorporation for mutual associations. (1) FORM AND CONTENT. The articles of incorporation of ~~associations~~ a mutual association shall be in such form and contain such information as is determined by the commissioner with the approval of the review board.

(3) (title) RECORDING. Articles Upon their approval by the commissioner, articles of incorporation and supplementary amendments thereto, after having been approved by the commissioner, shall be recorded in the office of the register of deeds of the county in which the home office of the association is located.

(4) AMENDMENT PROCEDURE. Amendments to the articles of incorporation may be made at any annual or special meeting of the members duly called for that purpose ~~or at any annual meeting of the members~~, provided that a statement of the nature of the proposed amendment is included in the notice of meeting. The proposed amendment shall be adopted upon receiving the affirmative vote of ~~at least 51 per cent~~ a majority of the total eligible votes thereon, pursuant to s. ~~215.08 (6)~~ 215.43 (5).

(6) EFFECTIVE DATE. The effective date of articles of incorporation and amendments thereto shall be the date when ~~the commissioner receives the certificate left for record in the office of the register of deeds that such documents have been recorded.~~ The register of deeds shall forward a certificate of recording to the commissioner.

SECTION 9. 215.06 of the statutes is renumbered 215.42, and 215.42 (title) and (1), as renumbered, are amended to read:

215.42 (title) Bylaws of mutual associations. (1) FORM AND CONTENT. The bylaws of ~~associations~~ a mutual association shall be in such form and contain such information as ~~is determined by the commissioner~~ determines with the approval of the review board.

SECTION 10. 215.07 of the statutes is renumbered 215.40, and 215.40 (title), (1), (2), (6) (a), (12) and (13) (a) 4, 5 and 9, as renumbered, are amended to read:

215.40 (title) Incorporation of a mutual savings and loan association. (1) USE OF NAME. (a) A corporation organized under this ~~section~~ subchapter shall be known as a mutual savings and loan association. The words "savings and loan association" or "savings association" shall form part of the name of every ~~such~~ mutual association so

organized, ~~and any.~~

(b) ~~No corporation not other than a corporation~~ organized under this chapter shall not ~~subchapter or subch. III~~ may use a name embodying those words, ~~except that associations now existing may continue their present names. The name adopted by any. No association shall not be the same as may adopt a name identical to that of any other association, nor or so similar to an existing association name~~ as to be misleading.

(2) (title) MINIMUM MEMBERSHIP AND SAVINGS ACCOUNTS. The commissioner shall determine ~~the~~:

(a) ~~The minimum membership number of persons~~ required to organize a mutual savings and loan association in any locality, ~~the~~

(b) ~~The aggregate minimum amount of capital savings accounts~~ to be paid into the association by ~~subscribers~~ persons subscribing for savings accounts, ~~the~~

(c) ~~The length of time for which the incorporators shall guarantee or pay the association's operating expenses, and such.~~

(d) ~~Such other requirements as are deemed~~ he deems necessary or desirable.

(6) (a) Along with the application, the incorporators shall file an agreement with the commissioner that, in addition to their initial ~~capital savings account~~ subscriptions paid into savings accounts, they will create an expense fund in an amount not less than one-half of the ~~total minimum capital requirement, the required amount of savings accounts.~~ The purpose of the expense fund ~~being shall be~~ to take care of organization expenses, operating deficits, mandatory reserve requirements, earnings distributions on savings accounts and losses.

(12) COMPENSATION FOR ORGANIZING PROHIBITED. (a) No person ~~shall may~~ directly or indirectly receive or contract to receive any commission, salary, compensation, bonus, rights or privileges for organizing the association, or for securing a subscription ~~to for~~ the original capital savings accounts of the association, ~~as provided in sub. (2).~~

(b) This ~~section~~ subsection does not prohibit ~~attorneys at law~~ an attorney from receiving reasonable compensation for legal services in connection therewith, after the association has been granted a certificate of incorporation.

(c) Whoever violates this subsection shall forfeit to the state \$1,000 for each violation, and in addition double the amount of his commission, salary, compensation or bonus.

(13) (a) 4. That the minimum number of required ~~members~~ savers was obtained, and that said ~~members~~ savers, in the aggregate, paid to the association the required initial capital amount of savings accounts; and

5. That ~~the~~ funds, representing the initial capital amount of savings accounts, have been deposited in the association's designated depository bank; and

9. That necessary action has been taken to obtain membership in the federal home loan bank, and insurance of savings accounts ~~for members~~ from the federal savings and loan insurance corporation.

SECTION 11. 215.075 (title) and (1) to (15) of the statutes are renumbered 215.60 (title) and (1) to (15), and 215.60 (1), (2), (4) (title), (6), (8) and (11) (a) 4, 6 and 7, as renumbered, are amended to read:

215.60 (1) USE OF NAME. (a) A corporation organized under this ~~section~~ subchapter shall be known as a capital stock association. The words "savings and loan association" or "savings association" shall form part of the name of every capital stock

association so organized, ~~and any~~.

(b) No corporation not other than a corporation organized under this chapter shall not subchapter or subch. It may use a name embodying those words. The name adopted by any No association shall not be the same as may adopt a name identical to that of any other association or so similar to an existing association name as to be misleading.

(2) (title) MINIMUM REQUIREMENTS. The commissioner by rule shall determine the:

(a) The minimum number of stockholders required to organize a capital stock association in any locality, the

(b) The minimum amount of capital stock and paid-in surplus, the

(c) The minimum number of subscribers for savings accounts.

(d) The minimum aggregate amount of savings accounts to be paid into the association by the subscribing members and such said subscribers for savings accounts.

(e) Such other requirements as are deemed he deems necessary or desirable.

(4) (title) APPLICATION TO ORGANIZE.

(6) NOTICE OF APPLICATION AND HEARING THEREON. Upon receipt of a properly executed application, the commissioner shall, within 30 days, assign a date and place for hearing on the application and notice thereof shall be given as provided in s. 215.07 (7) 215.40 (7).

(8) POWERS OF INCORPORATORS. The Until completion of its organization, incorporators of a capital stock association shall, until the completion of the organization, may exercise such other powers as are conferred upon the incorporators of other corporations so far as, if such powers are not in conflict with this chapter.

(11) (a) 4. That the minimum number of required stockholders subscribing for capital stock was obtained, and that such stockholders, in the aggregate, paid to the association the required minimum amount of ~~initial~~ capital stock and paid-in surplus;

6. That the required minimum number of ~~required members~~ subscribing subscribers for savings accounts was obtained, and that such ~~members~~ subscribers, in the aggregate, paid to the association the required minimum amount of ~~initial~~ savings liability accounts;

7. That the funds, representing the ~~initial payments on savings liability, account subscriptions~~ have been deposited in the association's designated depository bank;

SECTION 12. 215.075 (16) of the statutes is repealed.

SECTION 13. 215.08 (title), (2), (3) and (5) to (8) of the statutes are renumbered 215.43 (title), (1), (2) and (4) to (7), and 215.43 (title), (1) and (5) (title) and (a), as renumbered, are amended to read:

215.43 (title) Members and voting rights in a mutual association. (1) WHO MAY BECOME A MEMBER. Any person, firm, corporation, fiduciary, association or federal agency may become a member of any mutual association by subscribing applying in writing for membership therein and by either the ~~holding~~ owning of a savings account in or by borrowing money from such association.

(5) (title) VOTING RIGHTS. (a) Each ~~member saver in a mutual association~~ shall have one vote for each \$100 or fraction thereof of the withdrawal value of his savings accounts. Each ~~borrowing member as a borrower or obligor~~, shall have such number of votes to which he may be entitled as a ~~holder~~ owner of a savings account.

SECTION 14. 215.08 (1) of the statutes is repealed.

SECTION 15. 215.08 (4) as printed in the 1973 statutes is repealed.

SECTION 16. 215.08 (9) of the statutes is renumbered 215.26 (8) and amended to read:

215.26 (8) ACCESS TO BOOKS AND RECORDS. (a) Every member person shall have the right to inspect such those books and records of an association as which pertain to his loan or savings account. The

(b) Except as provided under par. (a), the right of inspection and examination of the books and records shall be of an association is limited to the:

1. The commissioner or his duly authorized representatives, persons.
2. Persons duly authorized to act for the association, and any.
3. Any federal agency authorized to inspect and examine books and records of an insured association.

(c) The books and records of an association pertaining to savings accounts and loans of members shall be kept confidential by the association, its directors, officers and employes, and no members or any, unless otherwise authorized under this subsection, no other person shall have access to the books and records or shall be furnished or shall possess a partial or complete list of members borrowers or savings account owners.

SECTION 17. 215.09 (title), (1) and (2) (a) of the statutes, as affected by chapter 11, laws of 1975, are renumbered 215.50 (title), (1) and (2) and amended to read:

215.50 (title) Directors of a mutual association. (1) MANAGEMENT RESPONSIBILITY. The government and management of ~~an a mutual~~ association shall be vested in a board of directors, who are charged with the responsibility of compliance with this chapter, orders of the commissioner, rules of the commissioner ~~as appearing in the Wis. Adm. Code promulgated under ch. 227~~, the articles of incorporation and bylaws of the association, and other laws applicable to savings and loan operations.

(2) (title) QUALIFICATIONS OF DIRECTORS AND COMPOSITION OF THE BOARD. ~~In order to~~ (a) To qualify as a director of a mutual association, a member must have a savings account in the association, the withdrawal value of which is at least \$500, during his term of office. A director automatically ceases to be a director when he ceases to be a member, or when the withdrawal value of his or her savings account is less than \$500.

(b) At least two-thirds of the members directors shall reside in this state.

SECTION 18. 215.09 (2) (b) of the statutes, as affected by chapter 11, laws of 1975, is renumbered 215.70 (2) and amended to read:

215.70 (2) (title) QUALIFICATIONS OF DIRECTORS AND COMPOSITION OF THE BOARD. ~~The directors~~ (a) To qualify as a director of a capital stock association shall consist of stockholders who own capital stock of not less than \$1,000 and a person must be the owner of a savings account in the association, the withdrawal value of which is at least \$500. A director automatically ceases to be a director when his holding of capital stock is less than \$1,000 or the withdrawal value of his or her savings account is less than \$500.

(b) At least two-thirds of the members directors shall reside in this state. \$1,000 or

SECTION 19. 215.09 (3) to (12) of the statutes are renumbered 215.50 (3) to (12), and 215.50 (6), (10) and (12) (title), as renumbered, are amended to read:

215.50 (6) OATH OF DIRECTORS. Upon election, 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 willingly permit to be violated ~~any provisions of this~~

chapter, ~~the rules~~ any rule of the commissioner, the articles of incorporation ~~and the or~~ bylaws under which the association operates, or any other law applicable to savings and loan operations.

(10) PROMULGATION OF RULES. The board of directors, may by resolution, adopt ~~such~~ rules and regulations for the conduct of business, provided that ~~such rule or regulation is they are~~ consistent with this chapter, the rules of the commissioner, and the association's articles of incorporation and bylaws.

(12) (title) DETERMINATION OF INTEREST RATES.

SECTION 20. 215.10 of the statutes is renumbered 215.51, and 215.51 (title) and (1), as renumbered, are amended to read:

215.51 (title) Officers of a mutual association. (1) (a) The general officers of ~~an~~ a mutual association shall be a:

1. A president, ~~one~~;
2. One or more vice presidents;
3. A secretary;
4. A treasurer; and ~~such~~
5. ~~Such~~ other officers as the directors by resolution designate.

(b) The president shall also be a director.

SECTION 21. 215.13 (title), (1), (2), (3), (6), (8), (9), (30), (31), (38) and (40) of the statutes are amended to read:

215.13 (title) Powers of savings and loan associations. (1) (title) SAVINGS ACCOUNTS. ~~Raise savings capital by accepting~~ Accept payments on savings accounts in accordance with s. 215.14.

(2) EVIDENCE OF SAVINGS ACCOUNT OWNERSHIP. Issue ~~to members~~ evidence of ownership ~~of a savings account~~ to savers, in accordance with s. 215.15.

(3) (title) DECLARATION AND DISTRIBUTION OF EARNINGS ON SAVINGS ACCOUNTS. Declare and distribute earnings to ~~members holding savings accounts~~ savers, in accordance with s. 215.16.

(6) LOANS ON SAVINGS ACCOUNTS. Make loans to ~~members~~ savers on the security of savings accounts owned by them, in accordance with s. 215.19.

(8) INSURED OR GUARANTEED LOANS. ~~(a)~~ Make secured or unsecured loans ~~to members~~, which are partially insured or guaranteed in any manner by the United States or any instrumentality thereof or for which there is a commitment to so insure or guarantee, pursuant to ch. 219.

(9) MORTGAGE LOANS. Make mortgage loans ~~to members~~ on the security of first liens on real estate or leaseholds, in accordance with s. 215.21.

(30) INTEREST AND OTHER CHARGES. Assess and collect ~~from members~~ interest, premiums, fines, fees and other charges. No savings and loan association ~~shall~~ may demand or receive for loans or discounts a rate of interest exceeding that allowed by law.

(31) INSURANCE OF SAVINGS ACCOUNTS. Insure the savings accounts of ~~members~~ savers only in an instrumentality created by an act of congress.

(38) (title) EDUCATIONAL LOANS. Make loans ~~to members~~ to defray the expense of attending any college or university.

(40) LOCATION OF BRANCHES. Whenever ~~associations are~~ an association is absorbed under s. 215.53 or 215.73 or consolidated under s. ~~215.27 or 215.28~~, a branch office may be maintained and operated 215.54 or 215.74, maintain and operate a branch office at the location of the absorbed or consolidated association, if the

location is within the home office normal lending area, as defined in s. 215.21 (2).

SECTION 22. 215.14 of the statutes is repealed and recreated to read:

215.14 Savings accounts. (1) **AGGREGATE OF SAVINGS ACCOUNTS.** The aggregate of savings accounts of any association is unlimited, and consists of the total deposits in savings accounts and the total earnings credited thereto, less withdrawals, redemptions or depreciation charges made pursuant to this chapter.

(2) **WHO MAY OWN A SAVINGS ACCOUNT.** Any person may, subject to acceptance by the association, become the owner of a savings account.

(3) **DEPOSITS IN SAVINGS ACCOUNTS.** Deposits may be made in savings accounts in any amount at any time, unless otherwise determined by the board.

(4) **WITHDRAWAL VALUE OF A SAVINGS ACCOUNT.** The withdrawal value of a savings account shall be the aggregate of deposits made therein and total earnings credited thereto, less withdrawals and depreciation charges.

(5) **MAXIMUM OWNERSHIP OF SAVINGS ACCOUNTS BY ONE PERSON.** The aggregate amount of the withdrawal value of savings accounts owned by one person in any association is unlimited, unless the board determines otherwise.

(6) **FORFEITURE OF INACTIVE SAVINGS ACCOUNTS.** When a savings account in an amount less than \$100 remains inactive by the failure of the saver to make any deposit therein for 3 years, the board may declare the savings account forfeited and the saver's right to participate in the distribution of earnings terminated. The withdrawal value of a savings account declared forfeited shall be set aside in a separate liability account by the association and held for the benefit of the owner of the savings account.

(7) **CHARGES ON SAVINGS ACCOUNTS PROHIBITED.** No admission, withdrawal or other fee may be charged any person for the privilege of opening, maintaining or withdrawing a savings account.

(8) **NONASSESSABILITY OF SAVINGS ACCOUNTS.** All savings accounts shall be nonassessable. No person may, in his capacity as a saver, be responsible for any losses incurred by the association beyond the loss of the withdrawal value of his savings accounts.

(9) **SAVINGS ACCOUNTS ELIGIBLE INVESTMENT FOR TRUST FUNDS.** An administrator, executor, personal representative, guardian, trustee or other fiduciary authorized to invest trust funds, may acquire, own or hold savings accounts in an association, within the limits of standards contained in s. 881.01, and shall have the same rights and be subject to the same obligations and limitations as other savings account owners, except the right to be an officer or director. Savings accounts owned or held by an administrator, executor, personal representative, guardian, trustee or other fiduciary shall specifically name the trust represented.

(10) **VOTING RIGHTS OF JOINT SAVINGS ACCOUNTS.** When a savings account in a mutual association is a multiple-party account under ch. 705, the right to vote such account shall be no greater than if the account were held by an individual.

(11) **RIGHTS OF FIDUCIARIES.** (a) In a mutual association a fiduciary shall have all rights and privileges of a saver except the right to hold office.

(b) In a capital stock association a fiduciary shall have all rights and privileges as other savers in the association.

(12) **SAVINGS ACCOUNTS OF DECEASED OR INCOMPETENT PERSONS.** The savings account of a deceased individual may be held and controlled by his administrator, executor, personal representative or trustee of his estate, or after 60 days after his death, his legal representative may be paid the withdrawal value of such savings accounts. If the savings account is pledged to the association for a loan, such loan shall first be fully repaid.

SECTION 23. 215.15 (title) and (1) of the statutes are amended to read:

215.15 (title) Evidence of ownership of savings accounts. (1) SAVINGS ACCOUNT PASSBOOKS AND CERTIFICATES. The association shall issue to each ~~member holding a savings account, saver~~ such passbooks, ~~certificate~~ certificates of savings account or deposit, or such other evidence of savings accounts as the commissioner authorizes, ~~all of which shall evidence the ownership of the account and the withdrawal value thereof.~~ The form of such ~~passbooks and certificates~~ evidences of ownership shall be ~~prescribed by acceptable~~ to the commissioner.

SECTION 24. 215.16 (title), (1), (3), (6), (7) (a), (9) and (10) of the statutes are amended to read:

215.16 (title) Distribution of earnings on savings accounts. (1) WHEN DECLARED. The board of directors shall make such transfers to its legal reserves, other required reserves, ~~and undivided profits~~ or earned surplus, at such times and in such manner as the commissioner ~~shall determine~~ determines.

(3) TO WHOM DISTRIBUTED. Except as otherwise provided in sub. (2) and ss. ~~215.08 (7) (b) 215.14 (8), 215.17 (6) and, 215.18 (5) and 215.43 (6) (b),~~ earnings may be paid or credited on savings accounts outstanding on the date when earnings may be distributed. The board of directors may, by resolution ~~so providing and while such resolution remains in effect,~~ consider any partial or total withdrawal of any savings account, made during the last 3 business days of any earning distribution period, as having been made immediately after the close of such period.

(6) EARNINGS ON WITHDRAWALS. The commissioner may authorize distribution of earnings on withdrawals between earning distribution dates. When so authorized by the commissioner, the board of directors of an association may, by resolution ~~so providing and while such resolution remains in effect,~~ authorize the distribution of earnings on withdrawals between earning distribution dates, but earnings on any amount so withdrawn ~~shall may~~ not be distributed for a greater portion of the ~~dividend~~ earning distribution period than that during which such amount remained in the association.

(7) (a) The commissioner may, with the approval of the review board, authorize and approve the distribution of a bonus, in addition to the regular earnings, on ~~monthly payment~~ monthly payment or fixed balance savings accounts. Only such bonus plans as ~~prescribed~~ approved by the commissioner and the review board may be adopted by the board of directors of an association and made available to the ~~members~~ of persons owning or opening savings accounts in such association.

(9) LOSSES BEFORE DECLARATION AND DISTRIBUTION OF EARNINGS. If at the time of such earning distribution period, the estimated or anticipated losses exceed the total amount of ~~general reserves and undivided profits~~ net worth, no earnings distribution shall be declared, paid or credited until such losses have been paid or fully provided for.

(10) EXCEPTION. ~~Savings~~ Any savings and loan associations, association in which the majority of ~~whose capital~~ aggregate savings accounts is owned by the employees of a public utility may credit and pay earnings at any time.

SECTION 25. 215.17 (1) of the statutes is amended to read:

215.17 (1) WHEN PERMITTED. The association may pay withdrawals on its savings accounts at any time upon receipt of written withdrawal requests therefor, and may pay to the ~~holders~~ owners of such savings accounts the withdrawal value thereof, except ~~as to~~ in the case of savings accounts which specify a fixed renewal, maturity or withdrawal date, the association may require the advance notice therein required.

SECTION 26. 215.17 (3) of the statutes is repealed and recreated to read:

215.17 (3) (a) A saver may at any time file with the association a written withdrawal request for the partial or complete withdrawal of his savings account.

(b) In a mutual association a saver who has filed a written withdrawal request remains a member of the association until paid, and does not become a creditor of the association by reason of filing such a withdrawal request.

SECTION 27. 215.17 (4) (a), (c) and (d), (5) and (7) of the statutes are amended to read:

215.17 (4) (a) Pay the ~~member~~ saver the withdrawal value of the savings account, in part or in full as requested; or

(c) ~~If any member has filed a written withdrawal the request, wherein he applies is for the withdrawal of more than \$1,000 of his savings accounts, he, the saver shall be paid \$1,000 in order when reached, and his withdrawal request shall be charged with such amount and shall be renumbered and placed at the end of the list of unpaid withdrawal requests, and thereafter, upon again being reached, When his withdrawal request is reached again he shall be paid a like amount, but not exceeding the withdrawal value of his savings account, and until. Until paid in full, the withdrawal request shall be so paid, renumbered and placed at the end of the list of unpaid withdrawal requests.~~

(d) When a written withdrawal request is reached for payment, a written notice shall be sent to the ~~member saver~~ by registered mail at his last recorded address, ~~and unless. Unless~~ the ~~member saver~~ applies in person or in writing for such withdrawal payment within 30 days from the mailing date of such notice, no payment shall be made and such withdrawal request shall be canceled.

(5) WITHDRAWALS NOT EXCEEDING \$100. The board may pay withdrawals not exceeding \$100 of any one savings account of any one ~~member person~~ in any one month in any order, regardless of whether ~~or not~~ such ~~member saver~~ has filed a written withdrawal request.

(7) PROFIT ON SAVINGS ACCOUNT PURCHASES; PENALTY. Any officer, director or employe of any association who profits through the purchase of ~~members'~~ savings accounts of said association and the subsequent sale or exchange thereof, or the subsequent withdrawal or redemption of said savings accounts by the association, or is interested as a stockholder in any corporation or as a partner in any partnership which, through purchases and sales of savings accounts of an association of which he is an officer, director or employe, makes a profit, shall be deemed guilty of a misdemeanor and upon conviction may be fined not exceeding \$1,000 or imprisoned not more than one year and restitution of the profits shall be made to the association.

SECTION 28. 215.18 (2) and (5) of the statutes are amended to read:

215.18 (2) WHEN NOT PERMITTED. ~~The~~ No association ~~shall not may~~ redeem any savings accounts when there is an impairment of ~~capital~~ savings accounts or when it has written applications for withdrawal of savings accounts on file more than 30 days and not reached for payment.

(5) EARNINGS DISTRIBUTION CEASE AFTER NOTICE OF REDEMPTION. If the notice of redemption has been given, and if on or before the redemption date the funds necessary for redemption are available therefor, earnings distribution upon the savings accounts called for redemption shall cease to accrue after the redemption date, and all rights with respect to such savings accounts ~~shall forthwith, after such redemption date, terminate~~, except the right of the ~~holder of record~~ saver to receive the redemption price without interest, shall terminate after such redemption date.

SECTION 29. 215.185, except (12), of the statutes is repealed.

SECTION 30. 215.185 (12) of the statutes is renumbered 215.60 (16).

SECTION 31. 215.186 of the statutes is repealed.

SECTION 32. 215.19 (1) of the statutes is amended to read:

215.19 (1) An association may make loans ~~to members~~ on the security of ~~their~~ its savings accounts.

SECTION 33. 215.20 (title) of the statutes is amended to read:

215.20 (title) Property improvement loans.

SECTION 34. 215.21 (1) (intro.), (5) (a), (6) (b), as affected by chapter 11, laws of 1975, (7) (intro.) and (a), (b) and (c), (12), (16) and (29) of the statutes are amended to read:

215.21 (1) (intro.) BASIC SECURITY REQUIRED. Associations may make loans ~~to members~~ on the security of:

(5) (a) The aggregate of loans that an association may make to any one borrower ~~shall be~~ is subject to such limits as determined and prescribed by the commissioner and review board, but ~~shall not be in excess of exceeding~~ 10% of the aggregate savings capital accounts or the total of general reserves and undivided profits of the net worth of the association, whichever is the lesser less.

(6) (b) *Straight mortgage loans.* An association may make mortgage loans ~~to members~~ without the amortization of principal.

(7) (intro.) TYPES OF REAL ESTATE SECURITY. ~~Associations~~ An association may make loans ~~to members~~ on the following types of real estate security as defined by the commissioner:

(a) ~~Home type~~ Home type properties;

(b) ~~Combination home and business type~~ Combination home and business type properties;

(c) ~~Commercial type~~ Commercial type properties, the aggregate of which shall be fixed by the commissioner;

(12) INSURED OR GUARANTEED LOANS. ~~Any~~ An association may make mortgage loans ~~to members which are~~ insured or guaranteed wholly or in part under the national housing act approved June 27, 1934, or the servicemen's readjustment act of 1944, U.S. P.L. 346 (P.L. 78-346). All mortgage loans made ~~hereunder~~ under this section shall be in accordance with federal law and regulations and ch. 219.

(16) SUBDIVISION LOANS. Subject to ~~such~~ rules as promulgated by the commissioner ~~issues~~, an association may make loans ~~to its members~~ to finance the acquisition, development and improvement, or the development and improvement of lands for primarily residential use, including such improvements as may be required in the platting of lands pursuant to ch. 236.

(29) (title) LOANS SECURED BY VACANT LOTS. Subject to such rules as the commissioner issues, an association may make loans ~~to its members~~, secured by building sites, for future construction of their residences thereon.

SECTION 35. 215.22 (title) and (1) of the statutes are amended to read:

215.22 (title) Real estate owned by association. (1) ~~Acquire~~ A savings and loan association may acquire such real estate, by purchase, exchange or otherwise, as may be necessary ~~for the protection or enforcement of~~ to protect or enforce its securities and ~~the collection of~~ to collect claims or debts due ~~to~~ the association.

SECTION 36. 215.23 (1) (intro.) and (3) of the statutes are amended to read:

215.23 (1) (intro.) With the approval of the commissioner, any association may invest an amount not in excess of ~~the total amount of its general reserves and undivided~~

~~profits its net worth~~ for the following purposes:

(3) With the approval of the commissioner, any association may invest an amount not in excess of 25% of its ~~total general reserves and undivided profits~~ net worth to remodel:

(a) Remodel or modernize a leased building, or part thereof, to be occupied by the association as its office; and ~~acquire~~

(b) Acquire, by purchase or leasehold, additional land to be used as a parking lot.

SECTION 37. 215.24 (5) (a) 2 of the statutes is amended to read:

215.24 (5) (a) 2. Whenever the ~~aggregate of the legal reserve, other general reserves and undivided profits~~ net worth falls below the ~~prescribed~~ level established prescribed by the commissioner, the legal reserve shall be replenished ~~either~~ by either periodic additions ~~as required in~~ under sub. (4) or by such lesser amounts as may be necessary to attain the prescribed level.

SECTION 38. 215.27 of the statutes is renumbered 215.53, and 215.53 (title), (1) and (3), as renumbered, are amended to read:

215.53 (title) Absorption of other mutual association. (1) CONDITIONS PRECEDENT. With the commissioner's consent and subject to such conditions as ~~he prescribes and by the affirmative vote of at least two-thirds of each board of directors~~ the commissioner may prescribe, mutual associations organized and operating under this chapter, may, by an affirmative vote of at least two-thirds of the board of each association, absorb or be absorbed by each other. The absorbed association shall transfer its assets and liabilities to the absorbing association but not to defeat or defraud creditors.

(3) (title) WITHDRAWAL REQUESTS OF OWNERS OF SAVINGS ACCOUNTS OF ABSORBED ASSOCIATION. Any ~~member of saver in~~ an absorbed association, who intends to file a written withdrawal request for his savings accounts within one year after the date of approval of such absorption by the commissioner, may do so by giving 90 days' written notice of such intention, and his savings accounts shall be withdrawn as provided in s. 215.17. Any ~~member person~~ who has filed such written withdrawal request shall remain a member and be subject to all rights, privileges and duties under this chapter, and the bylaws and the rules and regulations of ~~such~~ the absorbing association, until the withdrawal value of his savings accounts has been paid to him.

SECTION 39. 215.28 of the statutes is renumbered 215.54, and 215.54 (title), (1) and (3), as renumbered, are amended to read:

215.54 (title) Consolidation with other mutual association. (1) CONDITIONS PRECEDENT. With the approval of the commissioner and subject to such conditions as ~~he prescribes~~ may prescribe, mutual associations organized and operating under this chapter, may consolidate. To effect a consolidation, the board of each association shall, by resolution, propose the consolidation, ~~and such~~. The consolidation must be ratified approved by an affirmative vote of the ~~holders~~ owners of ~~51% a majority~~ of the dollar value of the savings accounts outstanding of each mutual association, ~~or 51% of the outstanding capital stock of a stock association~~, at a meeting called by the boards and held at least 30 days after a notice of the time, place and ~~object~~ purpose of the meeting has been sent by mail to each member of record ~~by mail~~, directed to him at his last-known ~~post office~~ post office address.

(3) (title) WITHDRAWAL REQUESTS OF SAVERS IN CONSOLIDATING ASSOCIATIONS. Any ~~member of saver in~~ the consolidating association, who intends to file a written withdrawal request for his savings accounts within one year after the date of approval of the consolidation of the association, may do so by giving 90 days' written notice of

such intention, and his savings accounts shall be withdrawn as provided in s. 215.17. Any ~~member~~ person who has filed such written withdrawal request shall remain a member and be subject to all rights, privileges and duties ~~provided for in~~ under this chapter, and the bylaws and rules and regulations of such consolidated association, until the withdrawal value of his savings accounts has been paid to him.

SECTION 40. 215.285 of the statutes is renumbered 215.64.

SECTION 41. 215.29 of the statutes is renumbered 215.57, and 215.57 (title), (1) (intro.) and (b), (c) and (d), (2) and (3), as renumbered, are amended to read:

215.57 (title) Jurisdictional conversion of mutual associations. (1) (intro.) Any A state-chartered ~~savings and loan~~ mutual association may convert itself into a federal association, and any federal mutual association may convert itself into a state-chartered ~~savings and loan~~ association, by the following procedure as follows:

(b) At such meeting, ~~the members may~~ by the affirmative vote, in person or by proxy, of ~~66 2/3 per cent~~ not less than two-thirds of the dollar value of savings accounts of the association ~~the members may by resolution~~ declare, by resolution, to convert such association into a federal association or into a state-chartered 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 within 10 days after the meeting. ~~Such copy, when so filed, shall be evidence of the holding of and of the action taken at such meeting.~~

(c) If the members ~~voted~~ vote to convert the association, the secretary shall, within 30 days after such meeting, serve notice on all members, either personally or by mail, directed to them at their last known ~~post-office~~ post office addresses, ~~on all members of such action within 30 days after such meeting.~~ Any member may, within Within 30 days after service of the notice, give written notice any saver in the association may notify the association in writing that he desires to ~~have~~ withdraw his savings accounts ~~withdrawn.~~ He. Each saver so notifying the association shall be entitled to the withdrawal value of his savings accounts, less any amount due the association.

(d) 1. Within 6 months after the adjournment of a meeting to convert into a federal association, the association shall do what is necessary to make it a federal ~~savings and loan~~ association, ~~and within.~~ Within 10 days after the receipt of the federal charter, ~~a copy of it shall be filed~~ the association shall file with the commissioner, a copy of the federal charter certified by the federal home loan bank board. ~~Thereupon,~~ Upon such filing the association shall cease to be a state-chartered association and shall thereafter be a federal association.

2. Within 6 months after the adjournment of a meeting of the members of a federal mutual association, called for the purpose of converting the association into a state-chartered association, the commissioner shall examine such association and shall determine the action necessary to qualify the converting federal mutual association for a state charter. Upon complying with the necessary requirements, a state charter shall be issued to such association.

(2) WHEN STATE SUPERVISION CEASES. ~~At the time when~~ When conversion from a state-chartered mutual association to a federal association becomes effective, the association shall cease to be supervised by this state.

(3) CORPORATE EXISTENCE OF ASSOCIATION DOES NOT TERMINATE UPON CONVERSION. Upon the conversion of any state-chartered mutual association into a federal association ~~and~~ or vice versa, the corporate existence of the converting association shall not terminate, and the resulting association shall be a continuance of the converting association; ~~and all its.~~ All of the property (including its and rights) of the converted association shall by operation of law vest in the resulting association as

of the time of the conversion, and all of its obligations become those of the resulting association. Actions and other judicial proceedings to which the converting association is a party may be prosecuted and defended as if the conversion had not been made.

SECTION 42. 215.30 (1) to (4) of the statutes are renumbered 215.55, and 215.55 (title) and (1), (2) and (4), as renumbered, are amended to read:

215.55 (title) Mutual associations operating under restrictions imposed by the commissioner. (1) (title) LOSSES IN EXCESS OF TWO-THIRDS OF NET WORTH; CESSATION OF EARNINGS DISTRIBUTION; REDEMPTION AND WITHDRAWAL OF SAVINGS ACCOUNTS. Whenever the commissioner finds that the losses existing, or which may reasonably be anticipated in the near future, ~~are more than~~ exceed two-thirds of the ~~amount of the legal reserve net worth of the a mutual~~ association, he may, with the approval of the review board, ~~issue an order providing~~ that no further earnings be distributed on savings accounts and no moneys paid out for the redemption and withdrawal of savings accounts, until the commissioner orders otherwise.

(2) (title) IMPAIRMENT OF SAVINGS ACCOUNTS; APPOINTMENT OF APPRAISERS; APPRAISAL; AND DETERMINATION OF LOSSES. ~~Whenever (a) If~~ it appears to the commissioner that the ~~capital savings accounts~~ of any mutual association is are impaired, or may in the near future become impaired, he may, with the approval of the review board, ~~issue an order, requiring~~ the directors to forthwith appoint, subject to his approval, 3 competent persons, ~~who are not members affiliated with the association,~~ who shall appraise such property owned by the association, or upon which such association has mortgage loans or judgments, as the commissioner designates.

(b) The appraisers shall fix the reasonable ~~normal~~ value of all such property and report their findings to the commissioner and the directors.

(c) The value as so found shall be the value from which all losses shall be determined.

(4) (title) NOTICE OF DEPRECIATION TO OWNERS OF SAVINGS ACCOUNTS. The board shall give notice by mail to each ~~member, saver~~ that the withdrawal value of his savings account has been depreciated. ~~The notice shall indicate~~ the date when such depreciation was charged, and the withdrawal value of the savings account after such depreciation. The mailing of such notice to the last known address of the saver as last shown on the records of the association shall be a deemed compliance with this subsection.

SECTION 43. 215.30 (5) of the statutes is repealed.

SECTION 44. 215.30 (6) to (11) of the statutes are renumbered 215.55 (5) to (10), and 215.55 (5) and (6), as renumbered, are amended to read:

215.55 (5) (title) LOANS ON DEPRECIATED SAVINGS ACCOUNTS. The board may, with the approval of the commissioner and upon such terms as the commissioner may order, make savings account loans to ~~members upon such terms as the commissioner orders, but such~~ owners of savings accounts on the depreciated withdrawal value of such savings accounts. Such savings account loans shall be for provident purposes only, and not more than \$100 shall may be loaned to any one ~~member saver~~ in any one month.

(6) (title) OPERATIONS SUBJECT TO COMMISSIONER'S APPROVAL. ~~The Without the prior approval of the commissioner, the board shall make no of an association operating under this section may not:~~

(a) Make disbursements or contract to make disbursements for salaries, compensation, fees or any other ~~item of expense, nor pay.~~

(b) Pay withdrawals or redeem savings accounts, ~~nor declare.~~

(c) Declare a distribution of earnings ~~while the association is operating under~~

~~this section without the approval of the commissioner on savings accounts.~~

SECTION 45. 215.31 of the statutes is renumbered 215.56, and 215.56 (title), (1), (2), (4), (6), (7) and (8) (c), as renumbered, are amended to read:

215.56 (title) Voluntary liquidation of a mutual association. (1) PROCEDURE FOR VOLUNTARY LIQUIDATION. ~~Any (a) A mutual association doing business under this chapter~~ may go into liquidation ~~or may dissolve~~ by a 51 per cent majority vote of the dollar value of the outstanding savings accounts at a members' meeting held especially for that purpose, after 30 days' notice to each member saver.

(b) When an association has voted to liquidate ~~or to dissolve~~, the board shall cause notice of this fact to be certified;

1. Certified to the commissioner under the seal of the association by its president and secretary, ~~to the commissioner, and published~~;

2. Published as a class 3 notice, under ch. 985, in the each county in which an office of the association is located, calling on all persons who have claims against the association to present them to the association and make proof thereof at a specified place and time; ~~and to mail a similar notice~~

3. Mailed to all persons who appear as creditors on its books.

(2) PERIOD OF LIQUIDATION. ~~Any A mutual~~ association so liquidating shall dispose of all its assets within 10 years from the date of liquidation ~~or dissolution~~, unless the commissioner orders otherwise.

(4) FILLING VACANCIES ON BOARD OF DIRECTORS. In case of a vacancy on the board, the remaining directors may fill the vacancy by electing a director from ~~among the members association's savers~~.

(6) RESUMPTION OF BUSINESS. ~~Such Any mutual~~ association, ~~with the approval of the commissioner, in liquidation~~ may with the approval of the commissioner resume business upon conditions approved by him.

(7) (title) OPTIONAL ADOPTION OF PLAN PROVIDED IN SECTION 215.55. ~~Any A mutual~~ association ~~so liquidating under this section~~ may adopt the plan provided in s. ~~215.30 215.55~~ in the following manner:

(a) Upon ~~the signing of filing with the commissioner~~ a petition, in the form prescribed by the commissioner, and signed by members owning at least 60 ~~per cent~~ % of the dollar value of the outstanding savings accounts, in which petition they such members agree to the reinstatement of such association upon the plan provided in s. ~~215.30 215.55~~, the commissioner shall order a special meeting of such the members.

(b) There shall be submitted at such special meeting a resolution, in the form prescribed by the commissioner, rescinding the former action placing such association ~~in~~ into voluntary liquidation. ~~Such The~~ resolution shall be adopted if the vote in its favor is at least equal to that which adopted the resolution placing such association ~~in~~ into voluntary liquidation. If, in addition to the foregoing resolution, such the members, by a majority vote of the dollar value of savings accounts outstanding, adopt a further resolution, the form of which has first been approved by the commissioner, providing that the association be operated as provided in s. ~~215.30 215.55~~, such the association will be deemed to be reinstated.

(c) Upon such reinstatement the members shall fill all vacancies on the board. The board shall forthwith appoint the appraisers as provided in s. ~~215.30 (2) 215.55 (2)~~ and operate the association as provided therein. Voting by proxy shall be permitted at all meetings of members as provided in s. ~~215.08 (6) 215.43 (5)~~, but proxies ~~can~~

may be voted only by members only who are owners of savings accounts.

(8) ~~(e)~~ (b) The commissioner may ~~pay over:~~

1. Pay the moneys so held by him to the persons respectively entitled thereto, upon being furnished satisfactory evidence of their right to the same.

2. In case of doubt or conflicting claims, he may require an order of the circuit court authorizing and directing the payment ~~thereof~~ of such moneys. ~~He may apply~~

3. Apply the interest and dividends earned by the moneys so held by him toward defraying the expenses of the office.

SECTION 46. 215.32 (1) (e), (7) (a) and (c), (12) and (13) of the statutes are amended to read:

215.32 (1) (e) Has an impairment of its ~~capital~~ savings accounts; or

(7) (a) ~~Unclaimed 1. The special deputy commissioner shall deliver to the commissioner:~~

a. Any unclaimed liquidating dividends and all funds remaining in ~~the his~~ hands of ~~the special deputy commissioner~~ at the date of the order for final distribution together with all.

b. All final liquidating costs ~~shall be by him delivered to the commissioner to be deposited by him.~~

2. The commissioner shall deposit moneys delivered under subd. 1 in state banks, or ~~in~~ state-chartered savings and loan associations, to the credit of the commissioner, in trust for the ~~members and creditors~~ persons entitled thereto.

3. The commissioner shall include in his annual report to the governor the:

a. The names of associations liquidated, and the

b. The sums of unclaimed and unpaid liquidating dividends and unclaimed funds with respect to each of them, and a liquidated association.

c. A statement of interest earned upon such funds.

(c) The commissioner may ~~pay:~~

1. Pay the moneys so held ~~by him~~ to the persons entitled thereto, upon being furnished satisfactory evidence of their right to the same.

2. In case of doubt or conflicting claims, he may require an order of the circuit court directing the payment. ~~He may apply~~

3. Apply the interest earned by the moneys so held by him towards defraying the expenses in the payment and distribution of unclaimed liquidating dividends and funds to the ~~members and creditors~~ persons entitled to the same.

(12) (title) DEPRECIATION OF SAVINGS ACCOUNTS. (a) The withdrawal value of all savings accounts shall be determined as prescribed by the commissioner ~~pursuant to s. 215.30 (2) and (3) under s. 215.55 (2) and (3) or 215.75 (2) and (3),~~ or in such other manner as he prescribes.

(b) Upon the approval of such determined value by the commissioner and the circuit court, the withdrawal value of ~~every member's~~ each savings account shall be depreciated proportionately. ~~At~~ The commissioner shall give each member or saver at least 5 days' written notice of such determination of value shall be given to all members and of the time and place such value of the savings accounts ~~shall~~ will be submitted to the circuit court for approval.

(c) Upon a determination of such value by the circuit court the commissioner shall notify each member, saver and creditor of the association of the court's determination. Such notice shall be mailed to each member, saver and creditor at his

last known address.

(d) Should any member, saver or creditor feel aggrieved by such determination of value, he may within 15 days after the mailing of ~~a notice by the commissioner, addressed to his last known address, giving notice of such determination and value~~ the notice under par. (c), appeal to the supreme court. ~~The depreciated withdrawal value of all mortgage pledged savings accounts shall be credited to the loans upon which pledged, and the borrowers shall be liable only for the balance. The legal rate of interest shall be charged on such loans.~~

(e) After the creditors of the association have been paid, a ~~member~~ saver may, with the approval of the commissioner, apply his savings ~~accounts~~ account toward the purchase price of real estate or toward the payment of his loans, taxes, insurance or any other item owing the association.

(13) REINSTATEMENT. Whenever the commissioner has taken possession of the business and property of any association, ~~it~~ the association may resume business when:

(a) ~~The~~ In the case of a mutual association, the owners of at least two-thirds of such association's dollar value aggregate of outstanding savings accounts or, in the case of a capital stock association, the owners of at least two-thirds of the association's outstanding shares, execute a petition to such effect, in the form ~~of which~~ prescribed by the commissioner; ~~and~~

(b) ~~There is submitted to the commissioner by such~~ Such members, savers or stockholders, or a committee selected by them, submit to the commissioner a plan for the reorganization and reinstatement of the association; ~~and~~

(c) The commissioner recommends that control of the business and property of the association be returned to the ~~members~~ directors; and

(d) The court in which such liquidation is pending, upon application of the commissioner, finds that the association will be in a safe and sound condition when control is resumed by the ~~members~~ directors.

SECTION 47. 215.43 (3) of the statutes is created to read:

215.43 (3) OWNERSHIP OF SAVINGS ACCOUNTS BY MINORS. With respect to any account created before July 1, 1975:

(a) Minors under 14 years of age may own savings accounts held by a trustee or guardian.

(b) Minors above the age of 14 years may own savings accounts, and shall then be subject to the same duties and liabilities as adult members. Payment for the withdrawal of savings accounts may, in the discretion of the board, be made to such minor, his parents or guardian, and the payments made on such withdrawals shall be valid, as well as payments on forfeited savings accounts or redeemed savings accounts.

SECTION 48. Subchapter II of chapter 215 of the statutes is created to read:

CHAPTER 215

SUBCHAPTER II

MUTUAL SAVINGS AND LOAN ASSOCIATIONS; ORGANIZATION AND MANAGEMENT

(to precede s. 215.40)

215.52 General operation of a mutual association. The general operations of a mutual savings and loan association shall comply with this subchapter and the applicable provisions of subch. I.

215.58 Organizational conversion of mutual association into capital stock association. (1) CONVERSION INTO STOCK ASSOCIATION. Any state-chartered mutual

association may convert into a capital stock association as provided under this subsection.

(a) The board shall, by resolution, adopt a plan of conversion in accordance with this section and the rules and other requirements of the commissioner. The plan of conversion shall include:

1. The record date or dates approved by the commissioner, for determining the rights of persons under the plan of conversion.

2. A copy of the proposed restated articles of incorporation.

3. A certification that:

a. Each owner of a savings account in the mutual association will become the owner of a savings account of equal amount in the capital stock savings and loan association and will not suffer any loss of earnings distribution thereon because of such conversion.

b. As applying to the initial issue, the amount of any capital stock or scrip to which a saver is initially entitled to receive or purchase be calculated on the basis of the ratio of his savings accounts with the association to the aggregate of savings accounts of the association on a date or dates acceptable to the commissioner. The calculation herein prescribed may be adjusted by applying a time weight factor approved by the commissioner, if more than one date is used in computing the amount of capital stock to which a savings account owner is entitled to receive or purchase.

4. A statement indicating:

a. Whether any capital stock will be issued in addition to the initial issue under subd. 3.

b. The anticipated price of such additional stock.

c. The time in which savers may elect to purchase any such additional stock, if such a right is offered.

d. The manner in which those shares of additional capital stock offered to savers will be disposed of.

5. Such other information in regard to the plan of conversion that the commissioner may require.

(b) Upon the commissioner's approval of the proposed plan of conversion, the board shall call a meeting of members to vote on the proposed conversion to a capital stock association. Notice of such meeting shall be sent to each member at least 10 days prior to such meeting. The notice shall state the time, place and purpose of the meeting and shall set forth the plan of conversion approved by the commissioner and such other information as the commissioner requires.

(c) At the meeting called under par. (b) a vote shall be taken on the proposed plan of conversion, including the proposed restated articles of incorporation. The plan of conversion may not be adopted unless approved by the affirmative vote of members, in person or by proxy, owning a majority of the dollar amount of the aggregate of savings accounts of the association.

(d) Within 10 days after a meeting of members at which a plan of conversion is adopted, the board shall submit to the commissioner:

1. A copy of the minutes of the meeting adopting the plan. The minutes shall be certified by the secretary or president, and shall show that, by an affirmative vote as required under par. (c), the members voted to convert the association to a capital stock association and adopted the restated articles of incorporation.

2. Such additional information pertaining to the plan of conversion as the commissioner may require.

(2) **APPROVAL BY THE COMMISSIONER; CERTIFICATE OF AUTHORITY.** Upon being satisfied that the plan of conversion and restated articles of incorporation were adopted in accordance with sub. (1) and the rules and guidelines promulgated thereunder, the commissioner shall issue to the association a certificate of authority authorizing the association to implement its plan of conversion, subject to such conditions as the commissioner may impose.

(3) **CONVERSION PROCEEDINGS.** Upon receiving a certificate of authority under sub. (2) the association shall proceed to put into effect the plan of conversion.

(4) **CERTIFICATE OF CONVERSION; EFFECTIVE DATE.** Upon receiving satisfactory evidence that the plan of conversion and any conditions of the certificate of authority have been complied with, the commissioner shall issue the association a certificate of conversion from a mutual association to a capital stock association, whereupon the association shall record the certificate of conversion and its restated articles of incorporation. The date of recording shall be the date of conversion.

(5) **RETENTION OF DIRECTORS.** The directors of the converted mutual association shall continue to serve as directors of the capital stock association for duration of the term to which they were elected, provided they meet the qualification requirements under s. 215.70 (2).

(6) **CONTINUATION OF CORPORATE EXISTENCE AFTER CONVERSION; ASSUMPTION OF PRIVILEGES AND OBLIGATIONS.** (a) Upon conversion of a mutual association, the legal existence of the association shall not terminate. The stock association shall be a continuation of the mutual association, and all property of the mutual association and every right, privilege, interest and asset of every conceivable value or benefit then existing or pertaining to it, or which would inure to it, shall immediately, without any conveyance, transfer or further act, remain and vest in the stock association. The stock association shall have, hold and enjoy the same in its own right as fully and to the same extent as the same was possessed, held and enjoyed by the mutual association.

(b) Upon such conversion, the stock association shall continue to have and succeed to all the rights, obligations and relations of the mutual association. No pending action or judicial proceeding to which the mutual association is a party shall not be abated or discontinued by reason of the conversion. Such an action or proceeding may be prosecuted to final judgment, order or decree in the same manner as if the conversion had not been made, and the stock association resulting from the conversion may continue the action in its corporate name as a mutual association. Any judgment, order or decree may be rendered for or against the stock association which might have been rendered for or against the mutual association theretofore involved in the proceedings.

(7) **RESERVED AUTHORITY OF COMMISSIONER.** The commissioner may issue rules governing the conversion of mutual associations, including:

- (a) Procedural rules.
- (b) The fixing of a record date or dates for determining the respective rights of owners of savings accounts.
- (c) Provisions of the plan of conversion and the restated articles of incorporation.
- (d) Voting rights.
- (e) The composition, qualification and experience of principal officers and directors.
- (f) Voting trust agreements.
- (g) Employment contracts.
- (h) The disposition, if any, of general reserves and undivided profits.

(i) The distribution, issuance, sale and subscription of capital stock and paid-in surplus.

(j) Such other requirements for converting a mutual association to a capital stock association as he deems necessary.

(8) COMMISSIONER'S DISAPPROVAL OF CONVERSION; GROUNDS. The commissioner may refuse to approve the plan of conversion or may decline to issue a certificate of conversion or to approve the restated articles of incorporation, if he has reason to believe that:

(a) The plan of conversion is not fair and equitable to all savers in the converting association; or

(b) The plan does not sufficiently protect the interest of depositors and owners of savings accounts of the prospective capital stock association.

SECTION 49. Subchapter III of chapter 215 of the statutes is created to read:

SUBCHAPTER III

CAPITAL STOCK SAVINGS AND LOAN ASSOCIATIONS;
ORGANIZATION AND MANAGEMENT

(to precede s. 215.60)

215.61 Articles of incorporation for capital stock associations. (1) FORM AND CONTENT. The articles of incorporation of a capital stock association shall be in such form and contain such information as is determined by the commissioner with the approval of the review board.

(2) FILING AND APPROVAL. Duplicate originals of the articles of incorporation executed by the incorporators, and any subsequent amendments thereto adopted by the stockholders of the association, shall be filed with the commissioner and approved by him.

(3) RECORDING. Upon their approval by the commissioner, articles of incorporation and amendments thereto shall be recorded in the office of the register of deeds of the county in which the association is located.

(4) AMENDMENT PROCEDURE. Amendments to the articles of incorporation may be made at any annual or special meeting of the stockholders duly called for that purpose, provided that a statement of the nature of the proposed amendment is included in the notice of the meeting. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the eligible votes thereon, pursuant to s. 215.63.

(5) AMENDMENT FEE. The fee for filing amendments to the articles of incorporation is \$10, which shall be paid to the commissioner, and all fees received by him shall be paid into the general fund to the credit of his office.

(6) EFFECTIVE DATE. The effective date of the articles of incorporation and amendments thereto shall be the date when left for record in the office of register of deeds. The register of deeds shall forward a certificate of recording to the commissioner.

215.62 Bylaws of stock associations. (1) FORM AND CONTENT. The bylaws of a stock association shall be in such form and contain such information as the commissioner determines with the approval of the review board.

(2) FILING AND APPROVAL. Duplicate originals of the bylaws and amendments thereto shall be filed with the commissioner and approved by him.

(3) **EFFECTIVE DATE.** The effective date of bylaws and subsequent amendments thereto shall be the date on which such bylaws or amendments are approved by the commissioner.

(4) **BYLAWS AVAILABLE TO STOCKHOLDERS.** Each stock association shall have its bylaws in convenient form and upon request shall furnish a copy to any stockholder.

(5) **AMENDMENT TO BYLAWS.** The bylaws of the association may be amended as prescribed in the association's bylaws or articles of incorporation.

215.63 Voting rights in a stock association. (1) **NUMBER OF VOTES.** Each stockholder of a stock savings and loan association shall have one vote for each share of capital stock owned by him.

(2) **PROXIES.** (a) At any meeting of stockholders, voting may be in person or by proxy.

(b) Each proxy shall be in writing and signed by the stockholder or his duly authorized attorney in fact. If a stockholder appears at a meeting, his proxy shall be void for that meeting.

(c) No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

215.65 Capital stock of a stock association. (1) **PAR VALUE OF SHARES OF CAPITAL STOCK.** The par value of each share of capital stock of a stock association shall be fixed by the incorporators or directors of the association.

(2) **RATIO OF NET WORTH TO SAVINGS ACCOUNTS.** The minimum ratio of net worth to assets and savings accounts and the mix of those items comprising net worth may be specified by the commissioner.

(3) **SALE OF ADDITIONAL SHARES OF CAPITAL STOCK.** Notwithstanding s. 215.60 (2), a stock association may not be required to sell any additional capital stock, unless it fails to meet those minimum standards specified by the commissioner under sub. (2).

(4) **PREEMPTIVE RIGHTS OF STOCKHOLDERS.** Any preemptive right of a stockholder may be limited or denied to the extent provided in the articles of incorporation.

(5) **CAPITAL STOCK IS NOT EXEMPT FROM REGISTRATION.** Capital stock of a stock association is subject to registration under ch. 551.

215.66 Paid-in surplus of a stock association. (1) **HOW ESTABLISHED.** Upon the issuance of shares of capital stock, other than those shares issued to effect a conversion from a mutual association to a stock association, an association shall allocate to a paid-in surplus account such portion of the amount received from the issuance of the shares as the commissioner shall direct.

(2) **PURPOSE.** A stock association may use any portion of its paid-in surplus:

(a) To meet any part of its operating expenses or required allocations to its legal reserve and federal insurance reserve.

(b) For distribution of earnings on savings accounts.

(c) For such other purposes as the commissioner may authorize.

215.67 Earned surplus; dividends on capital stock. (1) **EARNED SURPLUS.** The board of a stock association may by resolution transfer to earned surplus all or any part of the residual net income of any period, after paying all expenses, including distribution of earnings on savings accounts, and after making allocations to general reserves.

(2) **DIVIDENDS ON CAPITAL STOCK.** (a) Subject to the rules of the commissioner, the board of a stock association may declare and pay dividends out of earned surplus.

(b) Dividends may be paid in stock or in cash.

215.70 Directors of a stock association. (1) **MANAGEMENT RESPONSIBILITY.** The management of a stock association shall be vested in a board of directors, who are charged with the responsibility of complying with this chapter, orders of the commissioner, rules of the commissioner promulgated under ch. 227, the articles of incorporation and bylaws of the association, and other laws applicable to savings and loan operations.

(3) **NUMBER OF DIRECTORS.** The board shall consist of such number as designated in the bylaws.

(4) **ELECTION OF DIRECTORS.** The directors of a stock association shall be elected by the stockholders in accordance with the bylaws.

(5) **VACANCY ON BOARD OF DIRECTORS.** Any vacancy on the board may be filled by a majority vote of the remaining directors in accordance with the bylaws.

(6) **OATH OF DIRECTORS.** Upon election, 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 to be violated any:

(a) Provision of this chapter.

(b) Rule of the commissioner.

(c) Articles of incorporation or bylaws under which the association operates.

(d) Any other law applicable to savings and loan operations.

(7) **DIRECTORS TO FIX COMPENSATION.** (a) The compensation of officers, directors, employes and committee members shall be fixed by a majority vote of the board of directors in accordance with the bylaws. Subject to the specific prior approval of the commissioner and the review board, the board of directors may by resolution, create a fund or join a pension system or enter into deferred compensation agreements for the retirement of its officers and employes.

(8) **MAY ESTABLISH EXECUTIVE COMMITTEE.** The board may by resolution appoint or remove an executive committee consisting of designated directors. The executive committee shall have the power of the board when the board is not in session.

(9) **MEETINGS OF THE BOARD OF DIRECTORS.** The board shall hold meetings in accordance with the bylaws.

(10) **PROMULGATION OF RULES.** The board may by resolution adopt rules for the conduct of business by the association, provided they are consistent with this chapter, the rules of the commissioner, and the articles of incorporation and bylaws of the association.

(11) **REMOVAL OF OFFICERS AND DIRECTORS.** (a) Upon affording him an opportunity to be heard, the board may remove from office any officer or director, who violates this chapter, the rules of the commissioner, the articles of incorporation, the bylaws, orders of the commissioner or any other law governing savings and loan operations.

(b) An officer or director of a stock association may also be removed by the commissioner under s. 215.02 (10).

(12) **DETERMINATION OF INTEREST RATES.** The board shall fix and determine the interest rates to be charged on all loans. Such rates shall be within the general range of interest rates approved by the commissioner. Such rates of interest may not exceed the rates permitted by ch. 422, where applicable.

215.71 Officers of stock association. (1) GENERAL OFFICERS. (a) The general officers of a stock association shall be:

1. A president;
2. One or more vice presidents;
3. A secretary;
4. A treasurer; and
5. Such other officers as the board of directors by resolution designate.

(b) The president shall also be a director.

(2) WHEN ELECTED. Immediately following each annual meeting of stockholders the directors shall convene and elect general officers for the ensuing year, in accordance with the bylaws.

(3) DUTIES OF OFFICERS. In addition to the duties and functions prescribed in the articles of incorporation and the bylaws, the officers shall perform such other duties as are delegated by the directors.

(4) FILLING VACANCIES. If a vacancy occurs in any general office, the directors shall, as soon as practicable, fill such vacancy by an election for the duration of the unexpired term.

(5) REMOVAL OF OFFICERS. Sections 215.02 (10) (a) and 215.70 (11) apply to removal of officers of an association.

215.72 General operations of a stock association. The general operation of a stock association shall comply with this subchapter and applicable provisions of subch. I.

215.73 Absorption of another stock association. (1) CONDITIONS PRECEDENT. With the commissioner's consent and subject to such conditions as the commissioner may prescribe, stock associations organized and operating under this chapter may, by an affirmative vote of at least two-thirds of each board of directors, absorb or be absorbed by each other. The absorbed association shall transfer its assets and liabilities to the absorbing association but not to defeat or defraud creditors.

(2) EFFECT OF ABSORPTION. (a) Upon absorption the rights, franchises and property interests of the absorbed stock association shall be deemed to be transferred to the absorbing stock association, which shall hold and enjoy same, in the same manner and to the same extent as the absorbed association.

(b) All stockholders of the absorbed association shall become stockholders of the absorbing association and possess and be subject to all rights, privileges and duties as provided them in the bylaws of the absorbing association.

(c) All savers in the absorbed association shall be owners of savings accounts of the same withdrawal value in the absorbing association.

(3) WITHDRAWAL REQUESTS OF SAVERS IN ABSORBED STOCK ASSOCIATION. Any saver in an absorbed stock association, who intends to file a written withdrawal request for his savings accounts within one year after the date of approval of such absorption by the commissioner, may do so by giving 90 days' written notice of such intention, and his savings accounts shall be withdrawn as provided in s. 215.17.

215.74 Consolidation with other stock associations. (1) CONDITIONS PRECEDENT. With the approval of the commissioner and subject to such conditions as he may prescribe, stock associations organized and operating under this chapter may consolidate. To effect consolidation, the board of each association shall by resolution propose the consolidation. The consolidation must be approved by an affirmative vote of stockholders owning a majority of the capital stock of each association at a meeting called by the boards and held at least 30 days after a notice of the time, place and

purpose of the meeting has been sent by mail to each stockholder of record, directed to him at his last-known post-office address.

(2) **EFFECT OF CONSOLIDATION.** Consolidating associations shall disclose to each other their respective assets and liabilities. All rights, franchises and property of each association shall be deemed to be transferred to the consolidated association, which shall hold and enjoy the same to the same extent as the consolidating associations. All stockholders of such consolidating association shall be stockholders of such consolidated association and possess and be subject to all rights, privileges and duties as provided in the bylaws of the consolidated association. All savers in the consolidating association shall become owners of savings accounts of the same withdrawal value in the consolidated association.

(3) **WITHDRAWAL REQUESTS OF OWNERS OF SAVINGS ACCOUNTS OF CONSOLIDATING ASSOCIATIONS.** Any saver in the consolidating stock association, who intends to file a written withdrawal request for his savings account within one year after the date of approval of the consolidation of the association, may do so by giving 90 days' written notice of such intention, and his savings accounts shall be withdrawn as provided in s. 215.17.

215.75 Stock associations operating under restrictions imposed by the commissioner. (1) **LOSSES IN EXCESS OF TWO-THIRDS OF NET WORTH; CESSATION OF EARNINGS DISTRIBUTION AND DIVIDENDS; REDEMPTION AND WITHDRAWAL OF SAVINGS ACCOUNTS.** Whenever the commissioner finds that the losses existing, or which may reasonably be anticipated in the near future, exceed two-thirds of the net worth of a stock association, he may with the approval of the review board order that no moneys be paid out for the withdrawal or redemption of savings accounts, until the commissioner orders otherwise.

(2) **IMPAIRMENT OF SAVINGS ACCOUNTS; APPOINTMENT OF APPRAISERS; APPRAISALS; AND DETERMINATION OF LOSSES.** (a) Whenever it appears to the commissioner that the savings accounts of any stock association are impaired, or may in the near future become impaired, he may with the approval of the review board order the directors to forthwith appoint, subject to his approval, 3 competent persons who are not affiliated with the association, who shall appraise such property owned by the association, or upon which such association has mortgage loans or judgments, as the commissioner designates.

(b) The appraisers shall fix the reasonable value of all such property and report their findings to the commissioner and the directors.

(c) The value as so found shall be the value from which all losses shall be determined.

(3) **DEPRECIATION OF SAVINGS ACCOUNTS AFTER DETERMINATION OF LOSSES.** After the commissioner has determined the losses existing or which he determines may reasonably be sustained in the near future, he shall order the withdrawal value of each savings account to be depreciated as stated in such order, and the officers shall forthwith depreciate the withdrawal value of all savings accounts as ordered. A record shall be made on the books showing the amount by which the withdrawal value of the savings account was depreciated, and a copy of such record shall be filed with the commissioner.

(4) **NOTICE OF DEPRECIATION TO OWNERS OF SAVINGS ACCOUNTS.** The board shall give notice by mail to each saver that the withdrawal value of his savings account has been depreciated. The notice shall indicate the date when such depreciation was charged, and the withdrawal value of the savings account after such depreciation. The mailing of such notice to the last-known address of the saver as shown on the records of the association shall be deemed compliance with this subsection.

(5) NOTICE OF DEPRECIATION TO STOCKHOLDERS OF RECORD. The board of a stock association shall also notify each stockholder of record of the amount of losses in excess of the association's net worth, and the percentage used to depreciate the savings accounts of the association. Such notice shall be given by mail addressed to the stockholder at his last-known address.

(6) LOANS ON DEPRECIATED SAVINGS ACCOUNTS. The board may, with the approval of the commissioner and upon such terms as the commissioner orders, make savings account loans to owners of savings accounts on the depreciated withdrawal value of such savings accounts. Such savings account loans shall be for provident purposes only, and not more than \$100 may be loaned to any one saver in any one month.

(7) OPERATIONS SUBJECT TO COMMISSIONER'S APPROVAL. (a) Without the prior approval of the commissioner, the board of an association operating under this section may not:

1. Make disbursements or contract to make disbursements for salaries, compensation, fees or any other item of expense.
2. Pay withdrawals or redeem savings accounts.
3. Declare distribution of earnings on savings accounts.
4. Declare or pay dividends on the capital stock of the association.

(b) The board of an association operated under this section may, with the approval of the commissioner:

1. Sell, lease, transfer, exchange and convey any of the property of the association. Upon the order of the board and the approval of the commissioner, the proper officers shall execute and deliver the necessary deeds, leases, assignments, bills of sale, transfers and conveyances.
2. Compromise and settle any claims, demands or judgments which are a part of the assets of the association.

(8) RULES TO BE PRESCRIBED BY THE COMMISSIONER. The commissioner shall prescribe reasonable rules for the operation of associations under this section.

215.76 Voluntary liquidation of a stock association. (1) PROCEDURE FOR VOLUNTARY LIQUIDATION. (a) A stock association may go into liquidation by a majority vote of the outstanding capital stock of the association at a stockholders' meeting held especially for that purpose, after 30 days' notice to each stockholder.

(b) When an association has voted to liquidate, the board shall cause notice of this fact to be:

1. Certified to the commissioner under the seal of the association, by its president and secretary.
2. Published as a class 3 notice, under ch. 985, in the county in which an office of the association is located, calling on all persons who have claims against the association to present them to the association and make proof thereof at a specified place and time.
3. Mailed to all persons who appear as creditors on the books of the association and to all savers in the association.

(2) PERIOD OF LIQUIDATION. A stock association so liquidating shall dispose of its assets within 10 years from the date of liquidation, unless the commissioner orders otherwise.

(3) STATUS OF BOARD OF DIRECTORS. The board shall remain a body corporate until the association is fully liquidated.

(4) FILLING VACANCIES ON BOARD OF DIRECTORS. In case of a vacancy on the board, the remaining directors may fill the vacancy by electing a director.

(5) APPLICABILITY OF OTHER SECTIONS. A stock association liquidating under this section shall be subject to ss. 215.02 (16) and 215.03, the same as an association in actual operation.

(6) RESUMPTION OF BUSINESS. A stock association in liquidation may resume business with the approval of the commissioner upon conditions approved by him.

(7) OPTIONAL ADOPTION OF PLAN PROVIDED IN SECTION 215.75. A stock association liquidating under this section may adopt the plan provided in s. 215.75 in the following manner:

(a) Upon filing with the commissioner a petition, in the form prescribed by the commissioner and signed by stockholders owning at least 60% of the outstanding capital stock of the association, in which petition such stockholders agree to the reinstatement of such association upon the plan provided in s. 215.75, the commissioner shall order a special meeting of the stockholders.

(b) There shall be submitted at such special meeting a resolution, in the form prescribed by the commissioner, rescinding the former action placing such association into voluntary liquidation. The resolution shall be adopted if the vote in its favor is at least equal to that which adopted the resolution placing such association into voluntary liquidation. If in addition to the foregoing resolution, the stockholders by a majority vote of the outstanding capital stock of the association adopt a further resolution, the form of which has first been approved by the commissioner, providing that the association be operated as provided in s. 215.75, the association will be deemed to be reinstated.

(c) Upon such reinstatement the stockholders shall fill all vacancies on the board. The board shall forthwith appoint the appraisers as provided in s. 215.75 (2) and operate the association as provided therein. Voting by proxy shall be permitted at all meetings of stockholders as provided in s. 215.63, but proxies may be voted by stockholders only.

(8) DISPOSITION OF FUNDS. (a) Unclaimed liquidating dividends and all funds remaining unpaid in the hands of the association or its board at or immediately prior to the date of final distribution, together with all final liquidating costs, shall be delivered to the commissioner to be deposited by him in one or more state banks or state-chartered savings and loan associations, to the credit of the commissioner, in trust for the various stockholders, owners of savings accounts or creditors entitled thereto. The commissioner shall include in his annual report to the governor the names of the associations so 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 or dividends earned upon such funds.

(b) The commissioner may:

1. Pay the moneys so held by him to the persons respectively entitled thereto, upon being furnished satisfactory evidence of their right to the same.

2. In case of doubt or conflicting claims, require an order of the circuit court authorizing and directing the payment of such moneys.

3. Apply the interest and dividends earned by the moneys so held by him toward defraying the expenses of the office.

(9) RESERVED AUTHORITY OF COMMISSIONER. This section does not prohibit the commissioner from proceeding against any association as provided in s. 215.32.

215.77 Jurisdictional conversion of capital stock associations. (1) PROCEDURE TO EFFECT CONVERSION. A state-chartered stock association may convert itself into a

federal association, and any federal stock association may convert itself into a state-chartered association, as follows:

(a) A meeting of the stockholders shall be held upon not less than 10 days' written notice to each stockholder, served either personally or by mail directed to him at his last-known post-office address. The notice shall state the time, place and purpose of such meeting.

(b) At such meeting, the stockholders may by the affirmative vote, in person or by proxy, of not less than two-thirds of the outstanding capital stock of the association the stockholders may by resolution declare to convert the association into a federal association, or in the case of a federal capital stock association into a state-chartered association. A copy of the minutes of the meeting, verified by the affidavit of the chairman and the secretary of the meeting, shall be filed in the office of the commissioner within 10 days after the meeting.

(c) If the stockholders vote to convert the association, the secretary shall, within 30 days after such meeting serve notice on all stockholders and savers of the association, either personally or by mail directed to them at their last-known post-office addresses. Within 30 days after service of the notice, any saver in the association may notify the association in writing that he desires to withdraw his savings accounts. Each saver so notifying the association shall be entitled to the withdrawal value of his savings accounts, less any amount due the association.

(d) 1. Within 6 months after the adjournment of a meeting to convert into a federal association, the association shall do what is necessary to make it a federal association. Within 10 days after receipt of the federal charter, the association shall file with the commissioner a copy of the federal charter, certified by the federal home loan bank board. Upon such filing the association shall cease to be a state-chartered association and shall thereafter be a federal association.

2. Within 6 months after the adjournment of a meeting of the stockholders of a federal stock association called for the purpose of converting the association into a state-chartered association, the commissioner shall examine such association and shall determine the action necessary to qualify the converting federal stock association for a state charter. Upon complying with the necessary requirements, a state charter shall be issued to such association.

(2) **WHEN STATE SUPERVISION CEASES.** When conversion from a state-chartered stock association to a federal association becomes effective, the association shall cease to be supervised by this state.

(3) **CORPORATE EXISTENCE OF ASSOCIATION DOES NOT TERMINATE UPON CONVERSION.** Upon conversion of any state-chartered stock association into a federal association or vice versa, the corporate existence of the converting association shall not terminate, and the resulting association shall be a continuance of the converting association. All of the property and rights of the converted association shall by operation of law vest in the resulting association as of the time of conversion, and all of its obligations become those of the resulting association. Actions and other judicial proceedings to which the converting association is a party may be prosecuted and defended as if the conversion had not been made.

(4) **COMMISSIONER'S APPROVAL REQUIRED BEFORE CONVERSION BECOMES EFFECTIVE.** Before any conversion under this section is final and in effect, the written approval of the commissioner must be secured by the converting association.

SECTION 50. 551.22 (4) of the statutes is amended to read:

551.22 (4) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any savings and loan or similar association organized under the laws of any state and licensed to do business in

this state, but not including the capital stock of a state-chartered capital stock savings and loan association.

SECTION 51. Cross reference changes. In the statute sections listed below in column A, the cross references shown in column B are changed to the cross references shown in column C:

A Statute Sections	B Old Cross References	C New Cross References
14.561	215.31	215.56, 215.76
215.03 (7)(b) and (8)(a), as renumbered	215.07 (7)	215.40 (7)
215.17 (2)	215.14 (5)	215.14 (6)
215.23 (5), as created by chapter 59, laws of 1975	215.03 (9)	215.03 (8)
215.51 (5), as re- numbered	215.09 (11)	215.50 (11)
216.05	215.29	215.57
272.18 (22)	215.01 (23)	215.01 (24)
