



**SENATE SUBSTITUTE AMENDMENT 1,  
TO 1995 SENATE BILL 348**

November 7, 1995 - Offered by COMMITTEE ON EDUCATION AND FINANCIAL INSTITUTIONS.

1 **AN ACT to renumber** 214.30 (1); **to amend** 214.04 (22), 214.095 (2), 214.305,  
2 214.33 (2) (c), 214.49 (4), 214.49 (5) (intro.), 214.49 (8), 214.49 (9), 214.49 (12),  
3 214.62 (1), 214.62 (2) (a), 214.62 (2) (b), 214.62 (2) (d), 214.62 (3), 214.62 (4) (a),  
4 214.62 (4) (c), 214.625, 214.63, 214.65 (2) (a) and (b), 214.665 (1), 214.67,  
5 214.755 (1) (c), 214.755 (2) and 214.93; **to repeal and recreate** 214.305,  
6 214.345 (5), 214.345 (5), 214.49 (5) (intro.), 214.49 (12), 214.62 (3), 214.625,  
7 214.63, 214.65 (2) (a) and (b), 214.665 (1), 214.67 and 214.93; and **to create**  
8 214.30 (1) (b), 214.49 (9m) and 214.755 (1m) of the statutes; **relating to:**  
9 savings bank chapter revisions and providing a penalty.

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

10 **SECTION 1.** 214.04 (22) of the statutes is amended to read:  
11 214.04 (22) To maintain real estate broker trust accounts under s. 452.13,  
12 attorney trust accounts under s. 757.293, collection agency trust accounts under s.  
13 218.04 (9g), burial trust accounts under s. 445.125 and care funds and preneed trust  
14 funds under s. 157.19.

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

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

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

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

10          214.30 **(1)** (b) A member has the right to share in the net profit of a mutual  
11 savings bank, after payment of creditors, if the savings bank liquidates. This right  
12 does not permit a member to claim a share of net profits absent a liquidation and does  
13 not permit a member to seek liquidation except in any manner permitted by the  
14 mutual savings bank's articles of incorporation or bylaws.

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

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

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

3           **214.305 Annual and special meetings.** The date of the annual meeting of  
4 members or stockholders shall be specified in the bylaws. Failure to hold an annual  
5 meeting may not cause a dissolution of the savings bank. Special meetings may be  
6 called by the board of directors, by stockholders of not less than 20% of the  
7 outstanding stock, by members constituting not less than 20% of the eligible votes  
8 or by any other person designated in the bylaws. The division may call a special  
9 meeting with not less than 7 days' written or oral notice. An annual or special  
10 meeting shall be held at the home office of the savings bank or at another place within  
11 a county in which the savings bank maintains an office if specifically designated in  
12 the notice of the meeting.

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

14           214.33 (2) (c) For any meeting at which the member or stockholder who gave  
15 a proxy is present, provided that before the taking of any vote, notice of the member's  
16 or stockholder's attendance and intention to vote at the meeting is given by that  
17 person to an official whom the savings bank shall identify at the meeting as having  
18 responsibility for maintaining a record of attendance.

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

20           214.345 (5) (a) Subject to the approval of the commissioner, a savings bank's  
21 bylaws shall provide for reasonable indemnification to its officers, directors and  
22 employes in connection with the faithful performance of their duties for the savings  
23 bank. For stock savings banks, the provisions shall be consistent with those under  
24 ss. 180.0850 to 180.0859. For mutual savings banks, the provisions shall be  
25 consistent with those under ss. 215.512 to 215.525.

1 (b) The provisions relating to the limited liability of directors under s. 180.0828,  
2 as they apply to a director of a corporation, apply to a director of a stock savings bank.  
3 The provisions relating to the limited liability of directors and officers under s.  
4 215.525, as they apply to a director or officer of a mutual savings and loan  
5 association, apply to a director or officer of a mutual savings bank.

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

8 214.345 (5) (a) Subject to the approval of the division, a savings bank's bylaws  
9 shall provide for reasonable indemnification to its officers, directors and employes  
10 in connection with the faithful performance of their duties for the savings bank. For  
11 stock savings banks, the provisions shall be consistent with those under ss. 180.0850  
12 to 180.0859. For mutual savings banks, the provisions shall be consistent with those  
13 under ss. 215.512 to 215.525.

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

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

20 214.49 (4) In bonds, notes or other evidences of indebtedness which are a  
21 general obligation of any city, town, village, county, technical college district or school  
22 district in this state. ~~The total liability of any such~~ A savings bank's total  
23 investments in a local governmental unit may not at any time exceed 50% of the  
24 capital of the savings bank. ~~The~~ A savings bank's total amount of investment in  
25 temporary borrowings of ~~any such~~ a local governmental unit maturing within one

1 year from the date of issue may not exceed 60% of the capital of the savings bank.

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

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

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

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

23 214.49 (5) (intro.) With the prior written consent of the division, in the initial  
24 purchase and development, or the purchase or commitment to purchase after  
25 completion, of home sites and housing for sale or rental, including projects for the

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

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

14 214.49 (8) In short-term commercial paper having a maturity from 2 to 270  
15 days issued by a financial institution, corporation or other borrower. An investment  
16 under this subsection shall be in securities rated in one of the ~~4~~ 2 highest categories  
17 by a nationally recognized rating service.

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

19 214.49 (9) ~~A savings bank may purchase shares of, or otherwise acquire~~ In an  
20 equity interest in, an insurance company ~~and in~~ or an insurance holding company  
21 organized to provide insurance for savings banks and persons affiliated with savings  
22 banks solely to the extent that ownership is a prerequisite to obtaining directors' and  
23 officers' insurance or blanket bond insurance for the savings bank through the  
24 company.

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

1           214.49 **(9m)** In shares of stock, whether purchased or otherwise acquired, in  
2 a corporation acquiring, placing and operating remote service units under s. 214.04  
3 (21).

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

5           214.49 **(12)** ~~In~~ With the prior written approval of the commissioner, in financial  
6 futures transactions, financial options transactions, forward commitments or other  
7 financial products for the purpose of reducing, hedging or otherwise managing its  
8 interest rate risk exposure.

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

11           214.49 **(12)** With the prior written approval of the division, in financial futures  
12 transactions, financial options transactions, forward commitments or other  
13 financial products for the purpose of reducing, hedging or otherwise managing its  
14 interest rate risk exposure.

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

16           214.62 **(1)** A financial institution may merge ~~into~~ with a savings bank. The  
17 board of directors of the merging financial institution and of the savings bank, by  
18 resolution adopted by a vote of at least two-thirds of the members of each board, shall  
19 approve the plan of merger.

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

21           214.62 **(2)** (a) The name of each merging financial institution, the name of the  
22 resulting ~~savings bank~~ financial institution, the location of the resulting home office  
23 and the location of other resulting offices.

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

1           214.62 (2) (b) With respect to the resulting ~~savings bank~~ financial institution,  
2 the amount of capital, surplus, and reserve for operating expenses; the classes and  
3 the number of shares of stock, if a stock ~~savings bank~~ financial institution; the  
4 articles of incorporation and bylaws of the resulting ~~savings bank~~ financial  
5 institution; and a detailed financial statement showing the assets and liabilities  
6 after the proposed merger.

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

8           214.62 (2) (d) Provisions governing the manner of disposing of any shares of  
9 stock of the resulting ~~savings bank~~ financial institution that are not taken by  
10 dissenting stockholders of a merging financial institution.

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

12          214.62 (3) After approval by the board of directors of the each merging financial  
13 institution ~~and of the savings bank~~, the merger agreement shall be submitted to the  
14 commissioner for approval, together with a certified copy of the authorizing  
15 resolution of each board of directors. Before issuing approval, the commissioner may  
16 examine the affairs of each merging financial institution and its affiliates and  
17 subsidiaries, the expense of which is to be paid by the merging financial institution.

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

20          214.62 (3) After approval by the board of directors of each merging financial  
21 institution, the merger agreement shall be submitted to the division for approval,  
22 together with a certified copy of the authorizing resolution of each board of directors.  
23 Before issuing approval, the division may examine the affairs of each merging  
24 financial institution and its affiliates and subsidiaries, the expense of which is to be  
25 paid by the merging financial institution.



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

2           214.62 (4) (a) The resulting savings bank, if any, meets the requirements of this  
3 chapter for the formation of a new savings bank.

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

5           214.62 (4) (c) The resulting savings bank, if any, will be operated in a safe and  
6 sound manner.

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

8           **214.625 (title) Merger; stockholder vote of approval.** If approved by the  
9 commissioner, the plan of merger shall be submitted to the ~~members or~~ stockholders  
10 of each merging stock financial institution for approval. A meeting of the ~~members~~  
11 ~~or~~ stockholders of a savings bank shall be called and held in accordance with ss.  
12 214.305 and 214.31. The plan is approved if it receives the affirmative vote of the  
13 majority of the total votes entitled to be cast by stockholders.

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

16           **214.625 Merger; stockholder vote of approval.** If approved by the division,  
17 the plan of merger shall be submitted to the stockholders of each merging stock  
18 financial institution for approval. A meeting of the stockholders of a savings bank  
19 shall be called and held in accordance with ss. 214.305 and 214.31. The plan is  
20 approved if it receives the affirmative vote of the majority of the total votes entitled  
21 to be cast by stockholders.

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

23           **214.63 Merger; commissioner's certificate.** The executed merger  
24 agreement, together, in the case of a stock financial institution, with a certified copy  
25 of the minutes of the meeting of ~~members or~~ stockholders of each merging stock

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

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

15 **214.63 Merger; certificate.** The executed merger agreement, together, in the  
16 case of a stock financial institution, with a certified copy of the minutes of the  
17 meeting of stockholders of each merging stock financial institution approving the  
18 merger agreement, shall be filed with the division. The division shall issue to the  
19 resulting savings bank a certificate of merger, setting forth the name of each merging  
20 financial institution, the name of the resulting savings bank and the date on which  
21 the division approves the articles of incorporation and bylaws of the resulting  
22 savings bank. The merger takes effect on the date of the recording of the certificate  
23 or a later date if the certificate provides for a different date. Recording shall be  
24 completed in the same manner as required for savings bank articles of incorporation,  
25 in each county in which the home office of any of the merging financial institutions

1 was located and in the county in which the home office of the resulting savings bank  
2 is located. The certificate shall be conclusive evidence of the merger and of the  
3 correctness of the merger proceedings except against this state.

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

5 214.65 (2) (a) The board of directors shall adopt by a two-thirds majority vote  
6 of all directors a resolution setting forth the terms of the proposed sale and shall  
7 submit the plan to the commissioner for preliminary approval. Upon receipt of  
8 approval by the commissioner, ~~the plan a stock savings bank shall be submitted~~  
9 submit the plan to a vote of the ~~members or~~ stockholders at a special or annual  
10 meeting.

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

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

20 214.65 (2) (a) The board of directors shall adopt by a two-thirds majority vote  
21 of all directors a resolution setting forth the terms of the proposed sale and shall  
22 submit the plan to the division for preliminary approval. Upon receipt of approval  
23 by the division, a stock savings bank shall submit the plan to a vote of the  
24 stockholders at a special or annual meeting.

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

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

9           214.665 (1) With the prior approval of the commissioner, which shall state that  
10 the proposed merger is necessary for the protection of depositors and other creditors,  
11 a savings bank that is in default or in danger of default may, by a majority vote of its  
12 board of directors and without a stockholder vote of its members or stockholders,  
13 merge with another savings bank, a state or federal savings and loan association, a  
14 state bank or a federal bank. The other entity shall be the resulting or continuing  
15 savings bank, savings and loan association or bank.

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

18           214.665 (1) With the prior approval of the division, which shall state that the  
19 proposed merger is necessary for the protection of depositors and other creditors, a  
20 savings bank that is in default or in danger of default may, by a majority vote of its  
21 board of directors and without a stockholder vote, merge with another savings bank,  
22 a state or federal savings and loan association, a state bank or a federal bank. The  
23 other entity shall be the resulting or continuing savings bank, savings and loan  
24 association or bank.

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

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

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

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

17           **214.67 Emergency sale of assets. (1)** With the prior approval of the division,  
18 which shall state that the proposed sale is necessary for the protection of depositors  
19 and other creditors, a savings bank may, by a majority vote of its board of directors  
20 and, notwithstanding s. 214.65 (1), without a stockholder vote, sell all or any part of  
21 its assets to another savings bank, a state or federal savings and loan association,  
22 a state bank or a national bank if the savings bank, savings and loan association or  
23 bank assumes in writing all of the liabilities of the selling savings bank or to a deposit  
24 insurance corporation.

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

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

7           214.755 **(1)** (c) ~~Law~~ A court, or law enforcement or prosecutorial agencies or a  
8 court for use in investigating or prosecuting a crime involving that information.

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

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

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

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

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

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

18           214.755 **(2)** An individual who violates sub. (1) or (1m) shall forfeit his or her  
19 office or position.

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

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

