

17-5425. Same; associations authorized to operate with guarantee stock; requirements. (a) *New associations.* Any association incorporated under the savings and loan code, and acts amendatory thereof or supplemental thereto, after this act takes effect may, upon complying with the requirements of the savings and loan code, and acts amendatory thereof or supplemental thereto, operate with guarantee stock and provide for such stock in its original bylaws.

(b) *Existing associations.* Any association not having guarantee stock may convert to and become an association authorized to issue guarantee stock upon compliance with the provisions of this subsection:

(1) The commissioner may adopt rules and regulations establishing the rules, general requirements, required provisions in a plan of conversion, optional provisions in a plan of conversion, notices and procedures to accomplish a conversion to the guarantee stock form of organization. The commissioner may adopt the rules and regulations of the federal savings and loan insurance corporation governing the conversion of mutual insured associations to capital stock insured associations, in whole or in part, but no rules and regulations of the commissioner shall contain any requirement or provision the effect of which is to prevent approval of the plan of conversion by the federal savings and loan insurance corporation. Such rules and regulations shall require the approval of the plan of conversion by the commissioner, by the federal savings and loan insurance corporation, by a majority of the board of directors of the association and by at least the majority vote of the members of the association at an annual or special meeting of the members.

(2) Upon a finding by the commissioner that the conversion to the guarantee stock form of organization has been completed in accordance with the requirements of this subsection and of the rules and regulations, the commissioner shall issue to the association a certificate of approval of the conversion, attaching to such certificate a copy of the association's amended articles of incorporation. A signed copy of such certificate shall be filed by the commissioner with the secretary of state and all amendments to the association's articles of incorporation made pursuant to the plan of conversion shall thereupon be effective. Amendments to the association's bylaws to conform to operation as a guarantee stock association shall be submitted to the commissioner and be recorded in like manner as other bylaw amendments.

(3) Upon the issuance to the association of a certificate of conversion, the corporate existence of such converting association shall not terminate, but such association shall be a continuation of the entity converted and all property of the converted association, including its rights, titles and interests in and to all property of whatever kind, whether real, personal or mixed, things in action and every right, privilege, interest and asset of any conceivable value or benefit then existing, or pertaining to it, or which would inure to it, immediately, by operation of law and without any conveyance or transfer and without any further act or deed, shall vest in and remain the property of such converted association, and the same shall have, hold and enjoy the same in its own right as fully and to the same extent as the same were possessed, held and enjoyed by the converting association, and such converted association, upon issuance of the certificate of such conversion, shall continue to have and succeed to all the rights, obligations and relations of the converting association. All pending actions and other judicial proceedings to which the converting association is a party shall not be abated or discontinued by reason of such conversion, but may be prosecuted to final judgment, order or decree in the same manner as if such conversion had not been made. Any judgment, order or decree may be rendered for or against it which might have been rendered for or against the converting association theretofore involved in the proceedings.

History: L. 1955, ch. 141, § 7; L. 1986, ch. 93, § 2; July 1.