

**17-5424. Same; restoration of stock when impaired; reduction; sale of stock to satisfy assessment; forfeiture, when.** Whenever it shall appear that the guarantee stock of any association is impaired, the commissioner shall notify such association to restore the guarantee stock within ninety (90) days. Within fifteen (15) days after the receipt of such notice, it shall be the duty of the board of directors of such association to levy an assessment on the guarantee stock sufficient to restore the same: Provided, That such association, with the approval of the board, may reduce its guarantee stock to the extent of the impairment, if such reduction will not reduce the guarantee stock below the amount required by the savings and loan code, and acts amendatory thereof or supplemental thereto. Whenever any guarantee stockholder of an association, or his assignee, fails to pay any assessment on his stock when the same is required to be paid, the directors of such association may sell the guarantee stock of such delinquent stockholder, or so much thereof as shall be necessary, to satisfy the assessment and any expenses incident thereto, to any person paying the highest price therefor, which price shall be not less than the amount due upon such stock with any expense incident thereto, and such sale may be either public or private. If sold at private sale and the price offered by any non-stockholder shall not exceed the highest bid of any stockholder, then such stock shall be sold to the stockholder. If such sale shall be public, then three (3) weeks notice thereof, published in a newspaper of general circulation in the city or county where the association is located, shall be given. The excess, if any, realized upon the sale of said stock shall be paid to the delinquent stockholder, unless he is further indebted to the association, when it may be retained by the association as an offset. If no purchaser can be found for such stock upon the terms herein stated, the stock shall be forfeited to the association to be disposed of within six (6) months thereafter as the board of directors shall determine.

**History:** L. 1955, ch. 141, § 6; June 30.