

§342. Conversion to new charter: federal to State; State to federal; out of state to State

1. Federal savings bank or savings and loan to state financial institution. Any federal association or federal savings bank may convert to a financial institution organized under the laws of this State in the following manner. A federal savings bank or savings and loan association converting to a financial institution organized under the laws of this State may continue to use the designation "Federal" or "FSB" or derivatives of "Federal" or "FSB" in its corporate title, as long as the converted federal savings bank or savings and loan association also uses the designation "state association" or "S.A." in its corporate title.

A. At an annual meeting or a special meeting called for that purpose, a majority, or more if required by the institution's organizational documents, of the members or investors casting votes in person or by proxy must approve of the conversion. Notice of the meeting must be mailed to each member or investor at least 30 and not more than 60 days prior to the date of the meeting at the member's or investor's last known address as shown on the books of the institution. [PL 1997, c. 398, Pt. F, §2 (AMD).]

B. At the meeting required in paragraph A, the members or investors shall vote upon directors who will be the directors of the state-chartered institution after conversion becomes effective and the members shall also vote upon corporators if a board of corporators is to be established for the resulting state-chartered institution. [PL 1997, c. 398, Pt. F, §2 (AMD).]

C. Within 10 days after the meeting, a copy of the minutes of the meeting, verified by affidavit of the clerk or secretary, together with such additional information as the superintendent may require, must be submitted to the superintendent for the superintendent's approval or disapproval in writing of the proposed conversion pursuant to the procedures and requirements of section 252. The verified copies of the minutes of the meeting when filed are presumptive evidence of the holding and action of the meeting. [PL 1991, c. 34, §2 (AMD).]

D. Copies of the minutes of the meeting of members or investors, verified by affidavit of the clerk or secretary, and copies of the superintendent's written approval must be mailed to the Office of Thrift Supervision or its successor within 10 days after approval. [PL 1997, c. 398, Pt. F, §2 (AMD).]

E. Following compliance with all applicable requirements of federal law, if any, the directors elected pursuant to paragraph B shall execute 3 copies of the organizational documents upon which the superintendent shall endorse approval and those documents must be filed in accordance with the provisions of chapter 31 or 32. Each director shall sign and acknowledge the documents as a subscriber to the documents. [PL 1997, c. 398, Pt. F, §2 (AMD).]

F. So far as applicable, the provisions of this Title apply to the resulting institution. [PL 1991, c. 34, §2 (AMD).]

G. The rights of dissenting investors of a converting federal savings bank or federal savings and loan are governed by federal law. [PL 1997, c. 398, Pt. F, §2 (NEW).]

H. Upon approval of the superintendent and evidence that the converting institution has complied with all applicable state and federal laws, rules and regulations, the superintendent shall issue to the resulting institution a certificate specifying the name of the converting institution and shall file a copy of the certificate with the Secretary of State. This certificate, once filed, is conclusive evidence of the conversion and of the correctness of all proceedings relating to the conversion in all courts and places. Unless a later date is specified in the certificate, the conversion is effective upon issuance of the certificate. [PL 2005, c. 82, §6 (NEW).]

[PL 2005, c. 82, §6 (AMD).]

2. National bank to financial institution. A national bank may convert to a financial institution organized under the laws of this State in the following manner. A national bank converting to a financial institution organized under the laws of this State may continue to use the designation "National" or "NA" or derivatives of "National" or "NA" in its corporate title, as long as the converted national bank also uses the designation "state association" or "S.A." in its corporate title.

A. The national bank must comply with the conditions and limitations imposed by the laws of the United States governing the conversion. [PL 1997, c. 398, Pt. F, §2 (AMD).]

B. The converting national bank may apply for a State charter by filing with the superintendent an application signed by its president and by a majority of its governing body setting forth the corporate action taken in compliance with the laws of the United States in paragraph A and affixing to the application the organizational documents governing the bank as a financial institution. [PL 1999, c. 218, §18 (AMD).]

C. [PL 1997, c. 398, Pt. F, §2 (RP).]

D. The rights of dissenting investors of a converting national bank are governed by federal law. [PL 1997, c. 398, Pt. F, §2 (AMD).]

E. Upon approval of the superintendent and evidence that the converting institution has complied with all applicable state and federal laws, rules and regulations, the superintendent shall issue to the resulting institution a certificate specifying the name of the converting institution and shall file a copy of the certificate with the Secretary of State. This certificate, once filed, is conclusive evidence of the conversion and of the correctness of all proceedings related to the conversion in all courts and places. Unless a later date is specified in the certificate, the conversion is effective upon issuance of the certificate. [PL 2005, c. 82, §7 (NEW).]

[PL 2005, c. 82, §7 (AMD).]

3. Thrift institution to federal savings and loan.

[PL 1997, c. 398, Pt. F, §2 (RP).]

4. Trust company to national bank.

[PL 1997, c. 398, Pt. F, §2 (RP).]

5. Other conversions.

[PL 1997, c. 398, Pt. F, §2 (RP).]

6. State to federal charter. A financial institution organized under provisions of this Title may convert to a federal association or to a national bank in accordance with applicable federal laws and regulations and the following provisions.

A. A majority of the institution's investors or mutual voters, or more if required by the institution's organizational documents, must approve the conversion at an annual meeting or at a special meeting. Notice of the meeting must be mailed not less than 20 nor more than 30 days prior to the meeting to each investor or mutual voter at the investor's or voter's last known address as shown on the books of the institution. [PL 1997, c. 398, Pt. F, §2 (NEW).]

B. Upon completion of the conversion, the financial institution shall certify in writing that the conversion has been completed under applicable federal law. The charter of the converting financial institution terminates automatically upon issuance of the federal charter or certificate. Upon receipt of a copy of the charter or certificate showing the organization of the institution as a federal institution, the superintendent shall notify the Secretary of State that the conversion has been effected. [PL 1997, c. 398, Pt. F, §2 (NEW).]

C. The rights of dissenting investors of a financial institution converting to a federal charter are those specified in section 352, subsection 5. [PL 1997, c. 398, Pt. F, §2 (NEW).]

D. The financial institution must notify and provide the superintendent with a copy of the application filed with the appropriate federal regulator within 3 days of filing with the federal regulator. [PL 2007, c. 79, §7 (NEW).]
[PL 2007, c. 79, §7 (AMD).]

7. Out of state to State charter. A financial institution organized under the laws of another state may convert to a financial institution organized under the laws of this State in the manner set out in this section.

A. The financial institution organized under the laws of another state must comply with the conditions and limitations imposed by the laws of that state governing the conversion. [PL 2009, c. 228, §4 (NEW).]

B. The converting financial institution may apply for a state charter by filing with the superintendent an application signed by its president and by a majority of its governing body setting forth the corporate action taken in compliance with the laws of the state under which it is organized and affixing to the application the organizational documents governing the bank as a financial institution. [PL 2009, c. 228, §4 (NEW).]

C. Upon approval of the superintendent and evidence that the converting institution has complied with all applicable state and federal laws, rules and regulations, the superintendent shall issue to the resulting institution a certificate specifying the name of the converting institution and shall file a copy of the certificate with the Secretary of State. This certificate, once filed, is conclusive evidence of the conversion and of the correctness of all proceedings related to the conversion in all courts and places. Unless a later date is specified in the certificate, the conversion is effective upon issuance of the certificate. [PL 2009, c. 228, §4 (NEW).]

The rights of dissenting investors of a converting financial institution organized under another state are governed by the laws of that state.
[PL 2009, c. 228, §4 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1979, c. 663, §39 (AMD). PL 1983, c. 600, §§2,3 (AMD). PL 1985, c. 647, §6 (AMD). PL 1991, c. 34, §2 (AMD). PL 1991, c. 386, §§5,6 (AMD). PL 1997, c. 398, §F2 (AMD). PL 1999, c. 218, §§17,18 (AMD). PL 2005, c. 82, §§6,7 (AMD). PL 2007, c. 79, §7 (AMD). PL 2009, c. 228, §4 (AMD).

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