

**SAVINGS AND LOAN ACT OF 1980 (EXCERPT)**  
**Act 307 of 1980**

ARTICLE 8

**491.800 Plan of merger, sale, or purchase; contents; adoption; notice of meeting; vote; adoption of plan; signatures; corporate seals; acknowledgment; filing plan with affidavit; commitment for or evidence of insurance; consent or approval; certificate of merger, sale, or purchase; affidavit of filing; certified copy of consent or approval.**

Sec. 800. (1) With the approval of the commissioner, an association or bank may merge with or into, or sell its assets and transfer its liabilities to, or purchase the assets and assume the liabilities of 1 or more federal or domestic associations or federal or domestic savings bank or banks. A plan of merger, sale, or purchase as it relates to an association shall be adopted in the manner provided by this act, and approval of the commissioner shall be based on an examination of the constituent associations or banks and of the plan. A plan of merger, sale, or purchase as it relates to a bank shall be adopted in the manner provided in the banking code of 1999, 1999 PA 276, MCL 487.11101 to 487.15105. A merger, sale, or purchase shall not be made to defeat or defraud a creditor of a constituent association or bank.

(2) The board of each association proposing to participate in a merger, sale, or purchase shall authorize a plan setting forth all of the following:

(a) The name of each constituent association or bank and the name of the resulting association or bank.

(b) As to each constituent association or bank that is a stock association or bank, the designation and number of outstanding shares of each class, specifying the classes entitled to vote and each class entitled to vote as a class. If the number of the shares is subject to change before the effective date of the merger, sale, or purchase, the manner in which the change may occur shall be specified.

(c) The terms and conditions of the proposed merger, sale, or purchase including the manner and basis of converting the shares of each constituent stock association or bank into shares, bonds, or other securities of a resulting stock association or bank, or into cash or other consideration, which may include shares, bonds, rights, or other property or securities of a constituent association or bank that is a party to the merger, sale, or purchase or into any combination of a merger, sale, or purchase.

(d) A statement of any amendment to the articles of incorporation of the resulting association or bank to be effected by the merger, sale, or purchase.

(e) The names of all directors and executive officers of the resulting association or bank.

(f) Other provisions with respect to the proposed merger, sale, or purchase as the board considers necessary or desirable.

(3) A plan of merger, sale, or purchase authorized by the board of each constituent association shall be submitted for adoption at a meeting of the association's members. Notice of the meeting shall be given to each member not less than 20 days before the meeting, in the manner provided in this act for giving notice of meetings to members. The notice shall include or be accompanied by a copy or summary of the plan.

(4) At the meeting, a vote of the members shall be taken on the proposed plan. In the case of a stock association, the plan shall be adopted upon receiving the affirmative vote of members holding more than 50% of the issued and outstanding voting stock of the association. In the case of a mutual association the plan shall be adopted upon receiving the affirmative vote of more than 50% of the votes cast by members at the meeting.

(5) After adoption, a plan shall be signed by the president or vice-president, and by the secretary or treasurer of each constituent association, under the corporate seals of each constituent association and with the acknowledgment that the plan is the respective act, deed, and agreement of the association. The plan shall be filed with the supervisor together with an affidavit by the treasurer or secretary of each constituent association that the plan has been authorized by the board of the association or bank and adopted by the members under this section. If the resulting association is to be a domestic association or domestic savings bank, there shall also be filed with the supervisor, as a condition to his or her approval of the merger, sale, or purchase, a firm commitment for or evidence of insurance of the resulting association's deposits and other accounts of a withdrawable type by the federal savings and loan insurance corporation. A federal association that is a constituent association to a merger, sale, or purchase shall furnish a certified copy of the consent or approval of the federal home loan bank board to the merger, sale, or purchase if the consent or approval is required by applicable law. Upon approval of the merger, sale, or purchase, the supervisor shall execute a certificate of merger, sale, or purchase, a copy of which is to be sent to the constituent associations. After approval, an officer of the resulting association shall provide the supervisor with an affidavit that evidence of the merger, sale, or purchase has been filed in the office of the register of deeds of each county where an office of the

association is located. A bank that is a constituent association to a merger shall furnish a certified copy of the consent or approval of the appropriate regulatory agency, if the consent or approval is required by applicable law.

**History:** 1980, Act 307, Eff. Jan. 1, 1981;—Am. 1987, Act 106, Imd. Eff. July 7, 1987;—Am. 2000, Act 365, Imd. Eff. Jan. 2, 2001.

**491.802 Merger and continuation of corporate existence in resulting association; powers, rights, interests, and duties of resulting association; transfer and vesting of property; resulting association subject to removal by court; substitute fiduciary; statement; prosecution of action or proceeding.**

Sec. 802. If a merger is approved by the supervisor and becomes effective under the terms of the supervisor's approval, the corporate existence of each constituent association shall be merged into and continued in the resulting association which shall be considered to be the same association as each of the constituent associations, possessing all the rights, interests, privileges, powers, and franchises, and being subject to all the restrictions, disabilities, and duties of each of the constituent associations. All the rights, interests, privileges, and franchises of each of the constituent associations and all property, real, personal, and mixed, and all debts due to any of them on whatever account, shall be transferred to and vested in the resulting association without any deed or other transfer and without any order or other action on the part of a court or otherwise; and all property, rights, privileges, powers, franchises, and interest and each and every other interest shall thereafter be as effectually the property of the resulting association as they were of each of the constituent associations. The title to any real estate, whether by deed or otherwise, under the laws of the state vested in either of the constituent associations, shall not revert or be in any way impaired by reason of this act. The resulting association by virtue of the merger, and without any order or other action on the part of a court or otherwise, shall hold and enjoy the same and all rights of property, franchises, and interests, including appointments, designations, and nominations and all other rights and interests as trustee, executor, administrator, personal representative, and in every other fiduciary capacity, in the same manner and to the same extent as the rights, franchises, and interests were held or enjoyed by each constituent association at the time of the merger. If a constituent association at the time of merger was acting under appointment of a court as trustee, executor, administrator, personal representative, or in any other fiduciary capacity, the resulting association shall be subject to removal by a court of competent jurisdiction in the same manner and to the same extent as was the constituent association before the merger. This act shall not be construed to impair the right of a court to remove the resulting association for reasons other than the fact of merger, and to appoint instead a substitute trustee, executor, personal representative, or other fiduciary. The resulting association shall file with each court or other public tribunal, agency, or office by which each of the constituent associations was appointed in the capacity of fiduciary or agent, and in the court file of each estate, action, or proceeding in which any of them was acting, a statement setting forth the fact of merger, the name of each association participating in the merger, the name of the resulting association, the association's place of business, and the amount of the association's net worth. An action or proceeding by or against any of the constituent associations may be prosecuted to judgment, as if the merger had not taken place, or the resulting association may be substituted in the place of a constituent association.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

**491.804 Office of acquired association as branch office.**

Sec. 804. An association resulting from the merger of 2 or more associations under this act may establish and operate each office of the acquired association as a branch office.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

**491.805 Conversion of mutual association into stock association or conversion of stock association into mutual association.**

Sec. 805. (1) With the approval of the supervisor, a mutual association may convert itself into a stock association or a stock association may convert itself into a mutual association. The plan of conversion for an association shall be adopted in the manner provided by this act, and approval of the supervisor shall be based on an examination of the association and of the plan of conversion. A conversion shall not be made to defeat or defraud a creditor of a converting association.

(2) The board of an association proposing to convert shall authorize a plan of conversion setting forth all of the following:

(a) The name of the association and the name of the resulting association.

(b) The terms and conditions of the proposed conversion.

(c) A statement of any amendment to the articles of incorporation of the resulting association to be effected

by the conversion.

(d) The names of all directors and executive officers of the resulting association.

(e) Other provisions with respect to the proposed conversion as the board considers necessary or desirable.

(3) A plan of conversion authorized by the board of an association shall be submitted for adoption at a meeting of the association's members. Notice of the meeting shall be given to each member not less than 20 days before the meeting, in the manner provided in this act for giving notice of meetings to members. The notice shall include or be accompanied by a copy or summary of the plan of conversion.

(4) At the meeting, a vote of the members shall be taken on the proposed plan of conversion. In the case of a stock association, the plan of conversion shall be adopted upon receiving the affirmative vote of members holding more than 50% of the issued and outstanding voting stock of the association. In the case of a mutual association the plan of conversion shall be adopted upon receiving the affirmative vote of more than 50% of the votes cast by members at the meeting. The members of the association shall also elect directors and executive officers for the resulting association.

(5) After adoption, a plan of conversion shall be signed by the president or vice-president, and by the secretary or treasurer, under the corporate seal of the association and with the acknowledgment that the plan of conversion is the respective act, deed, and agreement of the association. The plan of conversion, articles of incorporation, and bylaws shall be filed with the supervisor. If the resulting association is to be a domestic association or domestic savings bank, there shall also be filed with the supervisor, as a condition to his or her approval of the conversion, a firm commitment for or evidence of insurance of the resulting association's deposits and other accounts of a withdrawable type by the federal savings and loan insurance corporation. A federal association shall furnish a certified copy of the consent or approval of the federal home loan bank board to the conversion, if the consent or approval is required by applicable law. A savings bank shall furnish a certified copy of the consent or approval of the appropriate regulatory agency, if the consent or approval is required by applicable law. Upon approval of the conversion, the supervisor shall certify that fact on the plan of conversion, articles of incorporation, and bylaws filed with the supervisor. After approval by the supervisor, a certified copy of the certificate of conversion shall be recorded in the office of the register of deeds of each county where an office of the association is located. Upon approval of conversion, the supervisor shall also issue a certificate of charter and a certificate of authority to commence operations, indicating on the certificates the effective date of the conversion.

(6) If a conversion is approved by the supervisor and becomes effective under the terms of the supervisor's approval, the corporate existence of an association shall be merged into and continued in the resulting association which shall be considered to be the same association as the converted association, possessing all the rights, interests, privileges, powers, and franchises, and being subject to all the restrictions, disabilities, and duties of the converted association. All the rights, interests, privileges, and franchises of the converted association and all property, real, personal, and mixed, and all debts due on whatever account, shall be transferred to and vested in the resulting association without any deed or other transfer and without any order or other action on the part of a court or otherwise; and all property, rights, privileges, powers, franchises, and interest and each and every other interest shall thereafter be as effectually the property of the resulting association as they were of the converted association. The title to any real estate, whether by deed or otherwise, under the laws of the state vested in the converted association, shall not revert or be in any way impaired by reason of this act. The resulting association by virtue of the conversion, and without any order or other action on the part of a court or otherwise, shall hold and enjoy the same and all rights of property, franchises, and interests, including appointments, designations, and nominations and all other rights and interests as trustee, executor, administrator, personal representative, and in every other fiduciary capacity, in the same manner and to the same extent as the rights, franchises, and interests were held or enjoyed by the converted association at the time of the conversion. If the converted association at the time of conversion was acting under appointment of a court as trustee, executor, administrator, personal representative, or in any other fiduciary capacity, the resulting association shall be subject to removal by a court of competent jurisdiction in the same manner and to the same extent as was the converted association before the conversion. This act shall not be construed to impair the right of a court to remove the resulting association for reasons other than the fact of conversion, and to appoint instead a substitute trustee, executor, personal representative, or other fiduciary. The resulting association shall file with each court or other public tribunal, agency, or office by which the converted association was appointed in the capacity of fiduciary or agent, and in the court file of each estate, action, or proceeding in which any of them was acting, a statement setting forth the fact of conversion, the name of the association participating in the conversion, the name of the resulting association, the association's place of business, and the amount of the association's net worth. An action or proceeding by or against the converted associations may be prosecuted to judgment as if the conversion had not taken place, or the resulting association may be substituted in the place of a converted association.

**History:** Add. 1981, Act 114, Imd. Eff. July 17, 1981;—Am. 1987, Act 106, Imd. Eff. July 7, 1987.

**491.806 Conversion of mutual or stock association into federal mutual or stock association; approval; filing of documents, minutes, and charter; plan of conversion; notice of meeting; approval and effect of conversion; recordation of certificate.**

Sec. 806. (1) A mutual or stock association may convert itself into a federal mutual or stock association. All conversions under this section shall be subject to approval by members of the association and by the supervisor, and by all federal supervisory authorities having jurisdiction over the resulting association. An association desiring approval of the supervisor shall file copies of all documents that evidence preliminary approval of the conversion by federal supervisory authorities having jurisdiction over the conversion and a verified copy of the minutes of the meeting of the board of the association called for the purpose of acting upon the proposed conversion. The converting association shall also file with the supervisor a copy of the charter issued to the resulting federal association, certified by the federal home loan bank board.

(2) The plan of conversion shall be submitted for consideration by the members at a meeting called for that purpose. The notice given to members of a meeting at which a conversion is to be considered shall state the purposes of the meeting, shall include a full and accurate description of the plan of conversion and all other matters to be brought before the meeting, shall state that any proxy for the meeting solicited by or given to the association's designees is revocable by the member, and shall state the time, date, and place of the meeting. A notice of a meeting of members to consider and act upon a proposed conversion shall be given as required in this act not less than 20 days before the date of the meeting to each voting member of the converting association and to the supervisor and any federal supervisory authority having jurisdiction over the existing or proposed association. Approval by the members of a stock association shall require the affirmative vote of members holding more than 50% of the issued and outstanding voting stock of the stock association. Approval by the members of a mutual association shall require the affirmative vote of more than 50% of the votes cast by members.

(3) Upon approval of the conversion by the supervisor following the granting of a charter for a resulting federal association by the federal home loan bank board, the converting association, except insofar as this act shall be otherwise applicable to federal associations, shall cease to be subject to this act and authority of the supervisor under this act. After approval by the supervisor of the conversion, the resulting association shall have a certificate attesting to the fact of conversion and its organization recorded in the office of the register of deeds for the county in which the association's principal office is located.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

**491.807 Conversion of stock association into bank.**

Sec. 807. (1) A stock association may convert itself into a bank. All conversions under this section shall be subject to approval by the members of the association and by the supervisor, and by all federal supervisory authorities having jurisdiction over the resulting bank. An association seeking approval of the supervisor shall file copies of all documents that evidence preliminary approval of the conversion by federal supervisory authorities having jurisdiction over the conversion, and a verified copy of the minutes of the meeting of the board of the association called for the purpose of acting upon the proposed conversion. The converting association shall also file with the supervisor a copy of the charter issued to the resulting national bank, and certified by the comptroller of the currency, if applicable.

(2) The plan of conversion shall be submitted for consideration by the members of the association at a meeting called for that purpose. The notice given to members of a meeting at which a conversion is to be considered shall state the purposes of the meeting, shall include a full and accurate description of the plan of conversion and all other matters to be brought before the meeting; shall state that any proxy for the meeting solicited by or given to the association's designees is revocable by the member; and shall state the time, date, and place of the meeting. A notice of a meeting of the members to consider and act upon a proposed conversion shall be given as required in this act not less than 20 days before the date of the meeting to each voting member of the converting association and to the supervisor and any federal supervisory authority having jurisdiction over the existing or proposed association or bank. Approval by the members of a stock association shall require the affirmative vote of members holding more than 50% of the issued and outstanding voting stock of the stock association.

(3) Upon approval of the conversion by the supervisor following the granting of a charter for a resulting bank by the appropriate regulatory agency, the converting association shall cease to be subject to this act and to the authority of the supervisor under this act. After approval by the supervisor of the conversion, the resulting bank shall have a certificate attesting to the fact of conversion and its organization recorded in the office of the register of deeds for the county in which the bank's principal office is located.

**History:** Add. 1987, Act 106, Imd. Eff. July 7, 1987.

#### **491.808 Conversion of federal mutual or stock association to mutual or stock association.**

Sec. 808. (1) A federal mutual or stock association may convert to a mutual or stock association. All conversions under this section shall be subject to approval by federal regulatory authorities having jurisdiction over the federal association and by the supervisor. A converting federal association shall file with the supervisor a copy of all documents evidencing compliance with federal laws and regulations governing the conversion, including certified copies of all approvals, preliminary approvals, and documents reflecting corporate action relating to the conversion. After approval by the supervisor of the conversion, the resulting association shall have a certificate attesting to the fact of conversion and its organization recorded in the office of the register of deeds for the county in which the association's principal office is located.

(2) Upon approval of a conversion under this section, the directors of the resulting association shall execute and file with the supervisor articles of incorporation and shall adopt bylaws and proceed to comply with all conditions specified in the supervisor's approval, which shall include the filing of a firm commitment for, or evidence of, insurance of deposits and other accounts of a withdrawable type by the federal savings and loan insurance corporation. Upon filing of the articles of incorporation and bylaws and compliance with the conditions, the supervisor shall return 1 certified copy of the articles of incorporation to the association and shall issue a certificate of charter and a certificate of authority to commence operations, indicating on the certificates the effective date of the conversion.

**History:** 1980, Act 307, Eff. Jan. 1, 1981;—Am. 1987, Act 106, Imd. Eff. July 7, 1987.

#### **491.809 Conversion of bank to stock association.**

Sec. 809. (1) A bank may convert to a stock association. All conversions under this section shall be subject to approval by federal regulatory authorities having jurisdiction over the bank and by the supervisor. A converting bank shall file with the supervisor a copy of all documents evidencing compliance with federal laws and regulations governing the conversion, including certified copies of all approvals, preliminary approvals, and documents reflecting corporate action relating to the conversion. After approval by the supervisor of the conversion, the resulting association shall have a certificate attesting to the fact of conversion and its organization recorded in the office of the register of deeds for the county in which the association's principal office is located.

(2) Upon approval of a conversion under this section, the directors of the resulting association shall execute and file with the supervisor articles of incorporation and shall adopt bylaws and proceed to comply with all conditions specified in the supervisor's approval, which shall include the filing of a firm commitment for, or evidence of, insurance of deposits and other accounts of a withdrawable type by the federal savings and loan insurance corporation. Upon filing of the articles of incorporation and bylaws and compliance with the conditions, the supervisor shall return 1 certified copy of the articles of incorporation to the association and shall issue a certificate of charter and a certificate of authority to commence operations, indicating on the certificates the effective date of the conversion.

**History:** Add. 1987, Act 106, Imd. Eff. July 7, 1987.

#### **491.810 Plan of conversion, merger, sale, or purchase; substantive or procedural requirements; approval; application procedures; fees; rules or orders; conditions.**

Sec. 810. In passing upon a written plan of conversion, merger, sale of assets and liabilities, or purchase of assets and liabilities subject to this act, the supervisor shall prescribe the substantive or procedural requirements as the supervisor considers necessary or proper to ensure that the plan of conversion, merger, sale, or purchase is fair and equitable to the association and to the association's members. A plan of conversion, merger, sale, or purchase under this section shall be submitted to the supervisor for approval before giving notice to members of a meeting to be called for the purpose of considering the plan of conversion, merger, sale, or purchase. The approval by the supervisor of a conversion, merger, sale, or purchase permitted under this act shall be subject to the application procedures as the supervisor prescribes, and to the payment of the fees as the supervisor establishes. In promulgating rules or issuing orders or approvals to carry out the requirements of sections 800, 805, 806, 807, or this section, the supervisor shall require that all of the following conditions are met:

(a) Accurate and adequate disclosure of the terms and effects of plans of conversion is provided to purchasers or recipients of stock in resulting stock associations or banks, including members of a converting or merging mutual association.

(b) Adjustments are made in plans of conversion, merger, sale, or purchase to be effected by approval of an association's or bank's board, which are necessary or appropriate to accomplish the purposes of this section.



(c) Plans of conversion, merger, sale, or purchase and proxy statements, offering circulars, and related instruments and actions implementing the plans are subject to review and approval by the supervisor.

(d) The stock to be issued or canceled as a part of a conversion, merger, sale, or purchase is fairly and independently valued and priced, and the stock which is to be issued is allocated and distributed fairly and without manipulative or deceptive devices being employed.

(e) Appropriate provision is made regarding fractional share interests and minimum stock purchase requirements.

(f) Plans of conversion, merger, sale, or purchase are adopted and implemented in a form and manner so that stability and continuity of management are encouraged and so that the stability, safety, and soundness of the associations are not impaired.

(g) All conversions of mutual associations to stock associations, federal stock associations or banks shall use as a record date for determining the interests of account holders a date set by the supervisor and published annually during the month of January, which date shall be not more than 18 months before its publication.

**History:** 1980, Act 307, Eff. Jan. 1, 1981;—Am. 1981, Act 114, Imd. Eff. July 17, 1981;—Am. 1987, Act 106, Imd. Eff. July 7, 1987

#### **491.811 Organization of new association; consolidation of new association and existing association; rights of dissenting shareholder; determining fair market value of surrendered shares; duties of resulting association; definitions.**

Sec. 811. (1) An association intending to have its principal office in the same city or village as the principal office of an existing association may be organized pursuant to section 300. The organization of the new association is exempt from sections 302, 304, and 306, if the association is organized for the sole purpose of effecting a consolidation with an existing association pursuant to section 800 and if, upon completion of the consolidation, a savings and loan holding company becomes the owner of all of the outstanding voting shares of the resulting association. The new association and the existing association may consolidate under the charter of either association and sections 800, 802, and 804 shall apply, except that the agreement of consolidation may provide that shares of either or both the consolidating associations, instead of being converted into shares of the resulting association, be converted into shares or other securities of the savings and loan holding company.

(2) Upon completion of the consolidation, a dissenting shareholder shall be entitled to receive in cash from the resulting association the fair market value of all the shares of the existing association held by the shareholder. To receive fair market value reimbursement, a dissenting shareholder must make a written request to the resulting association within 30 days after the date of the completion of the consolidation, which request shall be accompanied by the surrender of the shareholder's stock certificates. Upon the filing of the written request and the surrender of stock certificates, the shareholder shall cease to have any of the rights of a shareholder, except the right to be paid the fair market value of the surrendered shares. A request for fair market value reimbursement may not be withdrawn except with the written consent of the resulting association.

(3) The fair market value of shares surrendered pursuant to subsection (2) shall be determined, as of the date on which the meeting of shareholders of the existing association was held adopting the agreement of consolidation, by a qualified and independent appraiser selected by the supervisor upon written application filed by a dissenting shareholder entitled to receive the fair market value of his or her shares or by the consolidated association. The appraiser so selected shall file a written report of his or her appraisal with the supervisor, who in turn shall forward copies of the appraisal to all interested parties. The valuation as determined by the appraiser shall be final and binding on all parties as to the fair market value of the shares.

(4) The resulting association shall pay to each dissenting shareholder the fair market value of the shareholder's shares within 30 days following the receipt of the written report of the appraiser from the supervisor. Subject to the review and approval of the supervisor, the fees and expenses of the appraisal shall be paid by the resulting association. The agreement of consolidation shall provide the manner of disposing of the shares of the existing association that are surrendered by the dissenting shareholders.

(5) As used in this section:

(a) "Consolidation" means "merger" as that term is used in sections 800, 802, and 804.

(b) "Dissenting shareholder" means a shareholder of an existing association consolidated under this section that either votes against the consolidation or gives notice in writing to the existing association at or prior to the meeting called for the purpose of considering the agreement of consolidation that the shareholder dissents from the consolidation.

**History:** Add. 1987, Act 106, Imd. Eff. July 7, 1987.

**491.812 Resulting association as continuation of entity of converted association; vesting of property in resulting association; rights, obligations, and relations; pending actions and proceedings; judgment, order, or decree.**

Sec. 812. Upon the effective date of a conversion permitted by this act, the legal existence of an association shall not terminate, but the resulting association is considered a continuation of the entity of the converted association and all property of the converted association, including rights, titles, and interests in and to all property of whatever kind, whether real, personal, or mixed, and things in action, and every right, privilege, interest, and asset of whatever value or benefit then existing, or pertaining to the converted association, or which would inure to the converted association, immediately by act of law and without a conveyance or transfer and without any further act or deed remains and vests in the resulting association, and the resulting 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 converted association. The resulting association, as of the effective date of the conversion, shall continue to have and succeed to all the rights, obligations, and relations of the converted association. All pending actions and proceedings to which the converted association is a party shall not be abated or discontinued by reason of the conversion, but may be prosecuted to final judgment, order, or decree in the same manner as if the conversion had not been made, and the resulting association may continue the action or proceeding in its corporate name. A judgment, order, or decree may be rendered for or against the resulting association which may have been rendered for or against the converted association previously involved in the action or proceeding.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

**491.814 Voting on liquidation and dissolution; notice of meeting; certified copy of minutes; itemized statement of assets and liabilities; itemized list of members.**

Sec. 814. At a meeting called for the purpose of voting on liquidation and dissolution, an association may resolve to liquidate and dissolve upon the affirmative vote of members having more than 50% of the aggregate voting power of the association. Notice clearly stating the purpose of the meeting shall be given as required in this act not less than 30 days before the meeting of the members, and a verified copy of the notice shall be sent by certified mail to the supervisor. Before the action of the members is effective, a certified copy of the minutes of the meeting shall be filed with the supervisor, accompanied by an itemized statement of the association's assets and liabilities, and an itemized list including the name of each member, last known address, and the value of voting units in force, designating those members voting for dissolution.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

**491.816 Liquidation and dissolution; deposits to accounts and new loans prohibited; retention of income and receipts; retention of existence; certified copies of proceedings; examination of association.**

Sec. 816. After filing a copy of the minutes of the meeting held for the purpose of voting on liquidation and dissolution, the association shall not accept deposits to accounts, nor shall the association make any new loans. All of the association's income and receipts in excess of actual expenses of management shall be retained pending an examination by the supervisor. The association's existence shall be retained for the sole purpose of paying, satisfying, and discharging existing liabilities and obligations, collecting and distributing assets, and doing all other acts required to adjust and dissolve the association's business and affairs. After certified copies of the proceedings are filed with the supervisor, the supervisor shall make an examination of the association under section 826.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

**491.818 Dissolution; sale and transfer of assets or properties; application of income and receipts to discharge of liabilities.**

Sec. 818. In order to facilitate dissolution following affirmative action by the members of the association, upon receipt of written approval from the supervisor, the association may sell and transfer any of the association's assets or properties to another association or other person, subject to any vested and accrued rights of mortgagors or other borrowers, and may begin applying the association's income and receipts in excess of the expenses of dissolution to the discharge of the association's liabilities.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

**491.820 Liquidating agent or committee; designation; approval; bond; publication of notice to creditors; conducting liquidation.**

Sec. 820. At the meeting held to consider dissolution, the members shall designate 1 or more persons to act as a liquidating agent or committee, who shall be subject to approval by the supervisor and shall furnish a suitable bond. Once a week for 8 successive weeks the liquidating agent or committee shall publish a notice in a newspaper within the county of the association's principal office informing creditors to present their claims against the association for payment. The publication of notice shall not apply to an association in voluntary liquidation which disposes of sufficient of its assets to another association, federal association, or other person to pay the association's creditors in full, or if all of the liabilities are assumed by the other association, federal association, or person. The liquidating agent or committee shall conduct the liquidation pursuant to law and the rules promulgated by the supervisor and under the supervision of the board of the association.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

#### **491.822 Reports; certified copies of dissolution proceedings.**

Sec. 822. An association operating under sections 814 to 826 shall make the same reports to the supervisor as are required of all other associations under this act. The liquidating agent or committee shall file reports with the supervisor not later than July 31 and January 31 each year, and at other times as the supervisor may require, showing the progress of the liquidation until the liquidation is completed. The reports shall be in a form and contain the information as the supervisor requires. The liquidating agent or committee shall also make an annual report to the members on the date provided for in the bylaws of the association for the annual meeting of the association. Certified copies of all dissolution proceedings reflecting action by the directors or members of an association shall be filed with the supervisor.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

#### **491.824 Liquidating agent or committee; removal; appointment of new agent or members.**

Sec. 824. At a meeting called at any time in the same manner as if the association continued as an active association, the members by vote representing a majority of the outstanding voting units of the association, subject to approval by the supervisor, may remove the liquidating agent or committee and appoint a new agent or new members of the committee.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

#### **491.826 Examination of liquidating association; purpose; expenses; appointment of conservator.**

Sec. 826. (1) The supervisor may examine into the affairs of a liquidating association at any time for the purpose of determining that the rights and interests of the creditors and members are being properly served. The expenses of the examination shall be paid by the association to the state, but shall not exceed \$100.00 per day for each examiner, plus actual expenses incurred while making the examination.

(2) If from the reports from the examiners or valid complaints from members or creditors it appears to the supervisor that the liquidation is not proceeding in a lawful, safe, or equitable manner, the supervisor shall appoint a conservator as provided in this act, but without the power to perform an act inconsistent with the liquidation of the association.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.

#### **491.828, 491.830 Repealed. 1981, Act 114, Eff. July 17, 1981.**

**Compiler's note:** The repealed sections pertained to amendment to articles of incorporation and to voting as class on proposed amendment by members of stock association.