

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

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.