

1994 SESSION

INTRODUCED

LD3122492

HOUSE BILL NO. 294

Offered January 19, 1994

A *BILL* to amend the Code of Virginia by adding a section numbered 6.1-194.123:1, relating to conversion from nonstock to stock state savings bank.

Patron—Woodrum

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 6.1-194.123:1 as follows:

§ 6.1-194.123:1 Conversion from nonstock to stock savings bank.

With the approval of the Commissioner, and in accordance with provisions of this section and regulations promulgated hereunder, a state savings bank which is a nonstock corporation may convert to a stock corporation. Such conversion shall be conducted in a manner equitable to all parties thereto in the following manner: the board of directors of such savings bank shall first adopt by two-thirds vote a conversion plan the provisions of which shall comply with requirements set forth in regulations promulgated by the Commission. Such plan shall provide that holders of savings accounts in the savings bank will be afforded the opportunity to preserve their interest in the savings bank's net worth of the nonstock corporation by subscribing to stock. The Commissioner shall approve any such plan of conversion if the Commissioner ascertains that such conversion will not have an adverse effect on the stability of the savings bank and that all other rules and regulations governing the procedures are to be followed in completing the conversion once a satisfactory plan has been adopted. Such regulations shall ensure that any savings bank in so converting shall continue to have its accounts insured by the Federal Deposit Insurance Corporation or other federal insurance agency.

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