

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 659
HOUSE BILL 679

AN ACT TO AMEND CHAPTER 54B OF THE GENERAL STATUTES TO MAKE
TECHNICAL CHANGES RELATING TO SAVINGS AND LOAN
ASSOCIATIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 54B-4(b)(10) and (26) are repealed.

Sec. 2. G.S. 54B-8 is amended by:

- (a) repealing subsection (b); and
- (b) deleting from the second sentence of subsection (c) the words "or foreign association" and deleting the comma between the words "State" and "federal" and inserting in lieu thereof the word "or".

Sec. 3. G.S. 54B-12(b)(9) is rewritten to read:

"(9) The character, general fitness, and trustworthiness of the incorporators, initial board of directors, and initial stockholders of the proposed association are such as to command the confidence of the community in which the proposed association intends to locate."

Sec. 4. G.S. 54B-31(4) is amended by deleting from the first sentence the words "and the approval of the conversion by the federal authority, and by the insuring corporation".

Sec. 5. G.S. 54B-35(4) is rewritten to read as follows:

"(4) At separate meetings of the members or stockholders of the respective associations, the members or stockholders may adopt, by an affirmative vote of a majority of the votes or shares present, in person or by proxy, a resolution to merge into a single association upon the terms of the merger agreement as shall have been agreed upon by the directors of the respective associations and as approved by the Administrator. Upon the adoption of the resolution, a copy of the minutes of the proceedings of the meetings of the members or stockholders of the respective associations, certified by the president or vice-president and secretary or assistant secretary of the merging associations, shall be filed in the office of the Administrator, within 10 days after such meetings. Within 15 days after the receipt of a certified copy of the minutes of such meetings the Administrator shall either approve or disapprove the proceedings for compliance with this section. If the proceedings are approved by him, he shall issue a certificate of his approval of the merger and send it to each of the associations. The certificate shall be filed and recorded in the office of the Secretary of State. When the certificate is so filed, the merger agreement shall take effect according to its terms and shall be binding upon all the members or stockholders of the

associations merging, and it shall be deemed to be the act of merger of such constituent savings and loan associations under the laws of this State, and the certificate or certified copy thereof shall be evidence of the agreement and act of merger of the savings and loan associations and the observance and performance of all acts and conditions necessary to have been observed and performed precedent to such merger. Within 60 days after its receipt from the Secretary of State, the certified copy of the certificate shall be filed with the register of deeds of the county or counties in which the respective associations so merged have recorded their original certificates of incorporation. Failure to so file shall only subject the association to a penalty of one hundred dollars (\$100.00) to be collected by the Secretary of State. The only fees that shall be collected in connection with the merger of the associations shall be filing and recording fees. If the Administrator disapproves the proceedings, he shall mark the certified copies of the meetings in his office as disapproved and notify the associations to that effect. Such disapproval may be appealed by the association to the Commission."

Sec. 6. G.S. 54B-36 is amended by adding after subsection (b) a new subsection reading as follows:

"(b1) Nothing in this section shall be construed to prevent a simultaneous merger-conversion in subsections (a) and (b) of this section."

Sec. 7. G.S. 54B-37 is amended by adding after subsection (b) a new subsection reading as follows:

"(b1) Nothing in this section shall be construed to prevent a simultaneous conversion-merger in subsections (a) and (b) of this section."

Sec. 8. G.S. 54B-38 is repealed.

Sec. 9. Chapter 54B of the General Statutes is amended by:

(a) adding after G.S. 54B-4(b)(32) a new subdivision (32.1) to read:

"(32.1) 'Interim association' means an association formed to facilitate the acquisition of one hundred percent (100%) of the voting shares of an existing stock association by a newly formed association or an existing savings and loan holding company or to facilitate any other transaction the Administrator may approve."; and

(b) adding a new Section 54B-45 reading as follows:

"§ 54B-45. **Interim Associations.** – (a) Article 2 of this Chapter shall not apply to applications for permission to organize an interim State association so long as the application is approved by the Administrator.

(b) Preliminary approval of an application for permission to organize an interim State association shall be conditional upon the Administrator's approval of an application to merge the interim association and an existing stock association or on the Administrator's approval of any other transaction.

(c) The Administrator shall promulgate rules and regulations to govern the formation of interim associations authorized by this section."

Sec. 10. G.S. 54B-57(a)(2) is amended by deleting the words "and all fees associated with foreign associations".

Sec. 11. G.S. 54B-74 is rewritten to read:

"§ 54B-74. **Annual license fees.** – All State associations shall pay an annual license fee set by the Administrator, subject to the advice and consent of the Commission. Such

license fee shall be used to defray the expenses incurred by the Division in supervising State associations. The Administrator may license each State association upon receipt of the license fee and filing of an application in such form as the Administrator may prescribe."

Sec. 12. G.S. 54B-75 is rewritten to read:

"§ 54B-75. **Statement; fees.** – Every State association shall file in the office of the Administrator, on or before the first day of February in each year, in such form as the Administrator shall prescribe, a statement of the business standing and financial condition of such association on the preceding 31st day of December. This statement shall be signed and sworn to by the secretary of the association before a notary public. The statement shall be accompanied by a filing fee set by the Administrator, subject to the advice and consent of the Commission. The filing fees shall be used to defray the expenses incurred by the Division in supervising State associations."

Sec. 13. Article 4 of Chapter 54B of the General Statutes is amended by adding a new Section 54B-78 to read:

"§ 54B-78. **Prohibited practices.** – Any person or association who shall engage in any of the following acts or practices shall be guilty of a misdemeanor, and upon conviction thereof shall be fined or imprisoned, or both, in the discretion of the court:

(1) Defamation: Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting, or encouraging the making, publishing, disseminating, or circulating of any oral, written, or printed statement which is false regarding the financial condition of any association.

(2) False information and advertising: Making, publishing, disseminating, or circulating or causing, directly or indirectly, to be made published, disseminated, circulated, or otherwise placed before the public in any publication, media, notice, pamphlet, letter, poster, or any other way, an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to the savings and loan business or with respect to any person in the conduct of the savings and loan business which is untrue, deceptive, or misleading."

Sec. 14. G.S. 54B-164 is amended by designating the present language as subsection (a) and adding a new subsection (b) reading as follows:

"(b) Notwithstanding any other provision of law, in order to protect the public, including members, depositors, and stockholders of a State association, the Administrator may establish limits on loans to any one borrower if he finds that a State association is operating with unsafe and unsound lending practices. The Administrator shall promulgate rules and regulations to govern the establishment of the limits authorized by this section."

Sec. 15. G.S. 54B-236 is amended by deleting the phrase "Article 10, Subchapter III" and substituting "Articles 14A to 14L".

Sec. 16. G.S. 54B-261 is amended by:

(a) adding a new subsection (a) reading as follows:

"(a) Notwithstanding any other provision of law, any stock association may simultaneously with its incorporation or conversion to a stock association provide for its ownership by a savings and loan holding company. In the case of a conversion,

members of the converting association shall have the right to purchase capital stock of the holding company in lieu of capital stock of the converted association in accordance with G.S. 54B- 33(c)(6)."; and

(b) renumbering subsection (a) as subsection (a1).

Sec. 17. G.S. 54B-20(a) is amended by inserting in the last sentence the words "by the Administrator" after the word "certified" and before the words "and recorded."

Sec. 18. G.S. 54B-44(a) is amended by inserting in the first sentence the words ", or any other transaction," before the words "as to which the finding is made."

Sec. 19. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 9th day of July, 1985.