

SAVINGS BANK ACT (EXCERPT)
Act 354 of 1996

487.3315 Reduction in capital stock.

Sec. 315. (1) By a vote of shareholders owning $\frac{2}{3}$ of the stock entitled to vote of the savings bank, a savings bank may reduce its capital stock to an amount not less than that required by this act to authorize the formation of the savings bank. The reduction may be accomplished by a reduction in the par value of the existing stock or by a reduction in the number of the shares of the stock. A reduction shall not be made until the amount of the proposed reduction has been reported to and approved by the commissioner.

(2) The approval of the commissioner shall be based upon a finding by him or her that the security of existing creditors of the savings bank will not be impaired by the proposed reduction. This section does not discharge a savings bank that has decreased its capital stock from an obligation or demand that is due from the savings bank.

(3) Retirement of preferred stock under the articles of incorporation is not considered to be a reduction of capital under this section.

(4) A shareholder is not entitled to a distribution of cash or other assets by reason of a reduction of the capital of a savings bank unless the distribution has been approved by the commissioner and by the affirmative vote of at least $\frac{2}{3}$ of the shares of each class of stock outstanding, voting as classes.

History: 1996, Act 354, Imd. Eff. July 1, 1996.