

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

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.