

SAVINGS BANK ACT (EXCERPT)
Act 354 of 1996

487.3310 Issuance of capital notes, debentures, and other indebtedness.

Sec. 310. (1) A savings bank, with the approval of shareholders owning 2/3 of the stock of a stock savings bank who are entitled to vote, or with the approval of 2/3 of the members of a mutual savings bank who are entitled to vote, may issue capital notes, debentures, and any other instrument of indebtedness, with or without warrants for preferred or common stock, convertible and nonconvertible, subordinated on insolvency, liquidation, or dissolution to all obligations except obligations to shareholders or members, in such amounts and under such terms and conditions as are approved by the commissioner on the basis of normal business considerations.

(2) In connection with the issuance of convertible capital notes, debentures, or any other instrument of indebtedness, the commissioner may grant approval for the savings bank to reserve a number of authorized and unissued shares of capital stock as required for issuance in exchange for capital notes and debentures with respect to which conversion privileges exist.

(3) If capital notes, debentures, or any other instrument of indebtedness are converted into shares of common or preferred stock, a verified certificate executed by the president of the savings bank stating the amount of the conversion, and any other information with respect to the conversion as the commissioner may require, shall be filed in the office of the commissioner.

(4) Outstanding capital notes, debentures, and any other instrument of indebtedness issued under this section shall be added to "capital" and "capital stock" as the terms are used in sections 428, 429, and 432 to 434, for the purpose of computing the limitations contained in those sections based on amounts of capital and capital stock.

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