

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

491.811 Organization of new association; consolidation of new association and existing association; rights of dissenting shareholder; determining fair market value of surrendered shares; duties of resulting association; definitions.

Sec. 811. (1) An association intending to have its principal office in the same city or village as the principal office of an existing association may be organized pursuant to section 300. The organization of the new association is exempt from sections 302, 304, and 306, if the association is organized for the sole purpose of effecting a consolidation with an existing association pursuant to section 800 and if, upon completion of the consolidation, a savings and loan holding company becomes the owner of all of the outstanding voting shares of the resulting association. The new association and the existing association may consolidate under the charter of either association and sections 800, 802, and 804 shall apply, except that the agreement of consolidation may provide that shares of either or both the consolidating associations, instead of being converted into shares of the resulting association, be converted into shares or other securities of the savings and loan holding company.

(2) Upon completion of the consolidation, a dissenting shareholder shall be entitled to receive in cash from the resulting association the fair market value of all the shares of the existing association held by the shareholder. To receive fair market value reimbursement, a dissenting shareholder must make a written request to the resulting association within 30 days after the date of the completion of the consolidation, which request shall be accompanied by the surrender of the shareholder's stock certificates. Upon the filing of the written request and the surrender of stock certificates, the shareholder shall cease to have any of the rights of a shareholder, except the right to be paid the fair market value of the surrendered shares. A request for fair market value reimbursement may not be withdrawn except with the written consent of the resulting association.

(3) The fair market value of shares surrendered pursuant to subsection (2) shall be determined, as of the date on which the meeting of shareholders of the existing association was held adopting the agreement of consolidation, by a qualified and independent appraiser selected by the supervisor upon written application filed by a dissenting shareholder entitled to receive the fair market value of his or her shares or by the consolidated association. The appraiser so selected shall file a written report of his or her appraisal with the supervisor, who in turn shall forward copies of the appraisal to all interested parties. The valuation as determined by the appraiser shall be final and binding on all parties as to the fair market value of the shares.

(4) The resulting association shall pay to each dissenting shareholder the fair market value of the shareholder's shares within 30 days following the receipt of the written report of the appraiser from the supervisor. Subject to the review and approval of the supervisor, the fees and expenses of the appraisal shall be paid by the resulting association. The agreement of consolidation shall provide the manner of disposing of the shares of the existing association that are surrendered by the dissenting shareholders.

(5) As used in this section:

(a) "Consolidation" means "merger" as that term is used in sections 800, 802, and 804.

(b) "Dissenting shareholder" means a shareholder of an existing association consolidated under this section that either votes against the consolidation or gives notice in writing to the existing association at or prior to the meeting called for the purpose of considering the agreement of consolidation that the shareholder dissents from the consolidation.

History: Add. 1987, Act 106, Imd. Eff. July 7, 1987.