

ENROLLED HOUSE
BILL NO. 2675

By: Weaver of the House

and

Fisher of the Senate

An Act relating to savings and loan associations and public health and safety; amending 18 O.S. 1991, Section 381.1, which relates to short title; modifying sections applicable to the Oklahoma Savings and Loan Code; amending 18 O.S. 1991, Section 381.2, as amended by Section 29, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.2), which relates to definitions; modifying, adding, and deleting definitions; amending 18 O.S. 1991, Section 381.3, which relates to conformity of existing associations; modifying reference to certain associations; modifying date; amending 18 O.S. 1991, Section 381.4, which relates to existing capital accounts; modifying reference to certain accounts; amending 18 O.S. 1991, Section 381.5, as amended by Section 31, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.5), which relates to abolition of Oklahoma Savings and Loan Board and transfer of power; updating certain references; deleting obsolete language; designating certain public records of the Oklahoma State Banking Department; stating that all other records are confidential; permitting State Banking Commissioner to divulge confidential information upon certain request and setting forth procedure for such request; authorizing State Banking Commissioner to examine associations; requiring certain report to be filed and mailed; permitting State Banking Commissioner to accept certain other examination reports; authorizing the State Banking Commissioner to enter into certain agreements; requiring associations to make yearly reports and setting forth procedure therefor; permitting State Banking Commissioner to call for special reports; establishing penalties for failure to make certain reports; authorizing certain form for reports; requiring reports to be preserved for certain time period; permitting documents to be preserved electronically; amending 18 O.S. 1991, Section 381.11, as amended by Section 35, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.11), which relates to supervision by the State Banking Commissioner; modifying and adding to powers of the State Banking Commissioner in supervising associations; providing for certain orders and hearings; permitting State Banking Commissioner to enter into certain agreements; permitting the State Banking Commissioner to issue interpretive statements and opinions and providing procedure therefor; amending 18 O.S. 1991, Section 381.13, which relates

to savings and loan administrator; updating language; amending 18 O.S. 1991, Section 381.15, as amended by Section 37, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.15), which relates to examinations and fees; modifying assessments and fees for associations; permitting special examinations and providing for fees and expenses of such examination; modifying payment and deposit of certain fees; amending 18 O.S. 1991, Section 381.16, as amended by Section 38, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.16), which relates to filing requirements for new mutual and stock associations; modifying certain filing requirements for incorporators of association; amending 18 O.S. 1991, Section 381.17, as amended by Section 39, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.17), which relates to certificate of incorporation; modifying reference to certain office; adding information to be contained in certificate of incorporation; amending 18 O.S. 1991, Section 381.18, which relates to application for certificate of authority; modifying reference; deleting certain data required on application; amending 18 O.S. 1991, Section 381.19, as amended by Section 40, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.19), which relates to hearing of application for a certificate of authority; deleting certain hearing; modifying reference to certain accounts; providing for certain contingent approval for certain insured accounts; amending 18 O.S. 1991, Section 381.20, as amended by Section 41, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.20), which relates to required capital; modifying reference to certain accounts; requiring certain funds to be paid into escrow fund under certain circumstances; stating that amount of permanent capital stock be within discretion of State Banking Commissioner under certain circumstances; amending 18 O.S. 1991, Section 381.21, which relates to corporate existence; modifying reference to certain accounts; amending 18 O.S. 1991, Section 381.22, as amended by Section 42, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.22), which relates to corporate name; deleting certain corporate name requirements; permitting associations to operate under trade names; amending 18 O.S. 1991, Section 381.23, which relates to exclusiveness of name; modifying reference to certain associations; amending 18 O.S. 1991, Section 381.24, as amended by Section 43, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.24), which relates to office locations and change of name; deleting reference to certain effective date; modifying reference to certain office; amending 18 O.S. 1991, Section 381.24a, as last amended by Section 1, Chapter 48, O.S.L. 1996 (18 O.S. Supp. 1999, Section 381.24a), which relates to branch banking; deleting definitions; deleting authorization and requirements to establish association branches; deleting authorization to branch by acquisition; permitting associations to establish and operate branches;

permitting certain functions at branch locations; setting forth certain limitations; modifying deposit limitation; modifying certificate application to include relocations; amending 18 O.S. 1991, Section 381.24b, as amended by Section 45, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.24b), which relates to detached facilities; modifying number and location of allowed detached facilities; deleting certain location restrictions; deleting certain approval and restriction requirement; deleting grandfather provision; amending 18 O.S. 1991, Section 381.24c, as amended by Section 46, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.24c), which relates to military savings facilities; clarifying reference to detached facility; modifying definition; modifying reference to certain drafts; amending 18 O.S. 1991, Section 381.24d, as amended by Section 47, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.24d), which relates to consumer banking electronic facilities; modifying reference to certain office; permitting associations to establish operations centers upon written notice; defining term; authorizing associations to utilize employees to originate loans or deposit accounts at certain locations under certain circumstances and subject to certain rules; permitting certain subsidiaries to conduct certain business as an agent; setting forth certain limitation; requiring certain relationship to be based on certain terms; amending 18 O.S. 1991, Section 381.25, which relates to amendment to certificate of incorporation; deleting certain appeal of the State Banking Commissioner to the Banking Board; amending 18 O.S. 1991, Section 381.26, as amended by Section 48, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.26), which relates to bylaws and resolutions of savings and loan associations; modifying reference to certain accounts and associations; requiring bylaws not to be inconsistent with laws or certificate of incorporation; modifying reference to rules and applicable federal regulations; stating that the Oklahoma General Corporation Act applies to certain associations; amending 18 O.S. 1991, Section 381.27, which relates to membership and voting rights in associations; modifying reference to certain accounts; amending 18 O.S. 1991, Section 381.31, which relates to directors of associations; permitting certain vacancy to be filled by less than a quorum of remaining directors; requiring board of directors to examine affairs of association; requiring report of examination to be submitted to State Banking Commissioner; permitting examination to be conducted by certain committee; requiring report to be reviewed by directors at certain meeting; amending 18 O.S. 1991, Section 381.34, which relates to fidelity bonds; updating references; amending 18 O.S. 1991, Section 381.36, as amended by Section 49, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.36), which relates to reserves and liquidity;

modifying reference to federal regulations; deleting reference to certain director; amending 18 O.S. 1991, Section 381.37, as amended by Section 50, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.37), which relates to capital and deposit accounts; modifying reference to certain accounts; amending 18 O.S. 1991, Section 381.38, as amended by Section 51, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.38), which relates to classification of accounts and deposits; modifying reference to certain accounts; deleting reference to certain director; modifying reference to federal regulations; authorizing the payment of certain deposits to certain persons; stating that certain payment of deposit shall be a release and discharge to the association; setting forth procedure for payment of payable-on-death deposits; setting forth styles of certain payable-on-death accounts; permitting certain adjustments to styling of accounts; requiring proportionate shares of account; permitting association to require certain address; authorizing association to convert account to noninterest bearing under certain circumstances; prohibiting change of beneficiary without certain execution; providing for sufficient release and discharge to association upon certain payment; stating that provisions apply to all forms of accounts; setting forth procedure for the payment of deposits in the form of a trust; stating form of trust; requiring written revocation of trust; providing for notice and evidence of trust and setting forth procedure therefor; authorizing payment of account upon death of trustee and setting forth procedure therefor; permitting association to refuse account from trustee under certain circumstances; stating that law does not affect certain contracts; permitting associations to enter into deposit accounts with minors; permitting the removal of any disabilities of minority; permitting parent or legal guardian to deny certain authority; discharging certain liability upon death of minor; prohibiting loan to minor; providing exceptions; amending 18 O.S. 1991, Sections 381.42, 381.43, 381.44, 381.45, 381.46 and 381.47, as amended by Section 52, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.47), which relate to accounts or deposits of various persons and powers and rights regarding such accounts and deposits; modifying references to certain accounts; updating statutory reference; authorizing transfer of certain deposits to heirs and providing procedure therefor; providing that certain affidavit constitutes a valid release and discharge from liability; setting forth penalties for false affidavit; amending 18 O.S. 1991, Section 381.49, which relates to earnings on accounts; modifying reference to certain accounts; deleting requirement that bylaws provide for determination of rates of earning; amending 18 O.S. 1991, Section 381.50, as amended by Section 53, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.50), which relates to

requirements to become deposit or stock association; deleting requirement that mutual association be insured; modifying person approving certain conversion; modifying reference to certain accounts; establishing a fee to be set by the State Banking Commissioner; limiting certain requirements for amended certificate of incorporation for insured associations; clarifying approval for application for conversion; modifying contingencies for certain conversion of insured associations; modifying minimum stock reserves for insured associations; amending 18 O.S. 1991, Section 381.51, which relates to deposits authorized; deleting reference to mutual deposit association; modifying reference to certain accounts; deleting approval of Banking Board requirement for certain deposits; requiring certain deposits to be subject to authority of State Banking Commissioner; setting forth certain powers and authority for associations; permitting associations to provide all types of deposit accounts; amending 18 O.S. 1991, Section 381.53a, as amended by Section 55, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.53a), which relates to permanent capital stock; deleting prohibition of common stock being subject to redemption; permitting banks to purchase own stock as treasury stock with certain approval; deleting requirements imposed by certain federal authority; modifying certain requirements to be imposed; amending 18 O.S. 1991, Sections 381.53b, 381.53c, 381.53e and 381.53f, which relate to capital stock and insurance; modifying and updating references; modifying reference to certain office and association; deleting requirement of insurability by Federal Deposit Insurance Corporation; amending 18 O.S. 1991, Section 381.54, which relates to the general powers of associations; modifying authority to authorize issuance of bonds and obligations by insured associations; modifying authority to regulate certain limit on volume of loans; modifying reference to certain accounts; modifying reference to certain federal laws; adding certain powers; amending 18 O.S. 1991, Section 381.55, as amended by Section 56, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.55), which relates to investment in real property; clarifying that certain powers are in addition to other powers; specifying that certain information be from certain report; amending 18 O.S. 1991, Section 381.56, as amended by Section 57, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.56), which relates to investment in securities; clarifying that certain powers are in addition to other powers; deleting certain available investments; specifying that certain information be from certain report; amending 18 O.S. 1991, Section 381.57, which relates to loans; modifying requirement that certain loans be in compliance with certain laws; amending 18 O.S. 1991, Section 381.58, which relates to loan rates of interest; deleting specific consideration for obligors; amending 18 O.S. 1991, Section 381.59, which relates to conversion of an association into a

federal association; modifying reference to associations; amending 18 O.S. 1991, Section 381.60, as amended by Section 58, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.60), which relates to conversion of association into a state-chartered association; changing person responsible to include certain information in certificate of authority; referencing certain application fee to be paid; amending 18 O.S. 1991, Section 381.61, as amended by Section 59, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.61), which relates to merger or consolidation; adding foreign associations to associations not to be impaired and to which an association may merge; permitting State Banking Commissioner to provide additional procedures and **fees**; amending 18 O.S. 1991, Section 381.62, as amended by Section 60, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.62), which relates to voluntary liquidation; modifying authority to grant certain approval and requiring certain application; modifying reference to purchasing association; amending 18 O.S. 1991, Section 381.63a, which relates to purchase and sale of assets and business of association; adding certain assets and business which may be sold or liabilities assumed; requiring copies of agreement to purchase to be filed; requiring certain fee; modifying publication of notice; modifying reference to certain office and accounts; modifying reference to certain association; changing statutory reference regarding trust powers; amending 18 O.S. 1991, Section 381.64, as amended by Section 61, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.64), which relates to authorized foreign associations; changing references to certain accounts; deleting certain publishing requirement; amending 18 O.S. 1991, Section 381.65, as amended by Section 62, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.65), which relates to limited certificate of authority; changing reference to certain office and accounts; deleting requirement for certain hearing; amending 18 O.S. 1991, Section 381.66, which relates to federal associations; modifying reference to certain associations and offices; amending 18 O.S. 1991, Section 381.66a, as amended by Section 63, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.66a), which relates to conversion into national banking association or state-chartered bank; requiring association to file certain application; requiring certain publication requirements to be followed; requiring issuance of certain charter to follow certain procedure; changing reference to certain associations; modifying reference to certain accounts; amending 18 O.S. 1991, Section 381.66b, as amended by Section 64, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.66b), which relates to conversion of national banking association or state-chartered bank into stock association; requiring proposed conversion application and proposed certificate of incorporation to be filed; requiring State Banking Commissioner to

approve certain items; modifying person responsible for including certain information; permitting State Banking Commissioner to examine converting institution; requiring examination to be paid for by converting institution; prohibiting limitation of certain examination fees; amending 18 O.S. 1991, Section 381.66c, as amended by Section 65, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.66c), which relates to merger of national banking associations or state-chartered banks into stock associations; changing statutory citation for certain revolving fund; deleting certain individual proceeding; modifying reference to certain office; specifying that certain rights be those described under certain law; amending 18 O.S. 1991, Section 381.71, as amended by Section 66, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.71), which relates to definitions; modifying definitions; amending 18 O.S. 1991, Section 381.73, as amended by Section 67, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.73), which relates to acquisition of control; changing reference to certain institutions and associations; deleting certain date institution to have been chartered; changing reference to certain office; requiring certain fees to be deposited into or paid from certain revolving fund; amending 18 O.S. 1991, Section 381.74, as amended by Section 68, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.74), which relates to involuntary liquidation by State Banking Commissioner; deleting requirement of certain recommendation; adding certain provision for State Banking Commissioner to take possession; modifying duty to take possession of association; qualifying certain notification; modifying person to prescribe certain notice of determination; changing reference to certain office; modifying certain investigation; adding that certain association be insured; deleting certain Banking Board approval; amending 18 O.S. 1991, Section 381.75, as amended by Section 69, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.75), which relates to reorganization; updating language; amending 18 O.S. 1991, Section 381.76, which relates to liquidation by State Banking Commissioner; modifying certain value of association; modifying amount of certain claims to be comprised or released; changing reference to certain associations and office; requiring certain annual report; deleting requirement of certain filing of reports; amending 18 O.S. 1991, Section 381.77, as amended by Section 70, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.77), which relates to liquidation by the Federal Deposit Insurance Corporation; clarifying that certain associations to be insured; modifying reference to certain office; deleting references to the Resolution Trust Corporation; amending 18 O.S. 1991, Section 381.78, as amended by Section 71, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.78), which relates to removal of officer, director, or employee; modifying reference to certain

association; stating that final orders of State Banking Commissioner be appealable; setting forth penalties for certain acts or omissions; setting forth responsibility for acts of certain individuals; requiring certain dissent; establishing criminal offense for violation of certain orders; providing for appointment of certain lawyer; prohibiting certain defense; prohibiting application of certain offenses; prohibiting association from paying fine or penalty imposed on another person; stating exception; prohibiting association from receiving deposits after notice of insolvency; prohibiting certain persons from serving as officer or director of association; setting forth certain criminal offenses; permitting State Banking Commissioner to commence suit for injunction; requiring certain orders to be enforced in certain manner; repealing 18 O.S. 1991, Sections 381.9, as amended by Section 33, Chapter 183, O.S.L. 1993, 381.35, 381.39, as amended by Section 5, Chapter 313, O.S.L. 1994, 381.40, as amended by Section 6, Chapter 313, O.S.L. 1994, 381.41 and 381.53, as amended by Section 54, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Sections 381.9, 381.39, 381.40 and 381.53), which relate to savings and loan associations; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 18 O.S. 1991, Section 381.1, is amended to read as follows:

Section 381.1 Sections 381.1 through 381.78 of this title and ~~Section 32~~ Sections 6, 7, 8, 25, 26, 27, 32, 37, 38, 39, 46, 50, 51, and 80 through 87 of this act shall be known and may be cited as the "Oklahoma Savings and Loan Code".

SECTION 2. AMENDATORY 18 O.S. 1991, Section 381.2, as amended by Section 29, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.2), is amended to read as follows:

Section 381.2 As used in the Oklahoma Savings and Loan Code:

1. "Act" or "this act" means the Oklahoma Savings and Loan Code;

2. "Association" means a savings and loan association or savings bank, referred to in prior laws including any association previously referred to as a building and loan association, incorporated and now existing under the laws of this state or hereafter incorporated under this act or which is otherwise authorized to transact savings and loan association or savings bank business under this act;

3. "Branch" means any place of business separated from the main office of an association at which deposits are received, checks paid, or money lent;

~~2.~~ 4. "Capital accounts" means permanent capital stock, undivided profits, surplus or reserves;

~~3.~~ 5. "Certificate of Authority" means a certificate issued by the Commissioner ~~on approval of the Board,~~ authorizing an association to transact ~~savings and loan~~ association business;

~~4.~~ 6. "Commissioner" means the State Banking Commissioner, ~~and "Deputy Commissioner" means~~ or the State Deputy Banking Commissioner when acting on behalf of the Commissioner pursuant to subsections C or E of Section 201 of Title 6 of the Oklahoma Statutes;

7. "Consumer banking electronic facility" means any electronic device owned, operated, leased by or on behalf of a bank, savings association, or credit union other than a telephone or modem operated by a customer of a depository institution, to which a person may initiate an electronic fund transfer. The term includes, without limitations, a point-of-sale terminal, automatic teller machine, automated loan machines, video banking centers, or any other similar electronic devices;

8. "Department" means the Oklahoma State Banking Department;

9. "Deposit account" means any form of deposit, share or other account maintained by a depositor at an association, including demand deposit accounts, whether evidenced by a passbook, certificate, or otherwise, and which does not represent permanent capital stock;

~~5.~~ 10. "Deposit association" means ~~a savings and loan an~~ association which is qualified to accept ~~savings deposits~~ deposit accounts or which becomes so qualified pursuant to this act;

~~6.~~ 11. "Earnings" means the money payable or to be credited to holders of ~~savings deposit~~ accounts by an association as payment for the use of the funds which constitute such accounts. Earnings on ~~savings deposit~~ accounts in a deposit association may be designated as interest, and earnings on other ~~savings deposit~~ accounts may be designated as dividends;

~~7.~~ 12. "Existing mutual association" means a mutual association which was authorized to do business in Oklahoma on the effective date of this act;

~~8.~~ 13. "Federal association" means a savings and loan association or savings bank organized and existing under the laws of the United States;

~~9.~~ 14. "Foreign association" means any firm, company, association, partnership or corporation, by whatever name called, actually engaged in the ~~business of a savings and loan~~ association business, which is not organized under the laws of this state or of the United States;

~~10.~~ 15. "Insured association" means an association the ~~savings deposit~~ accounts of which are insured by the Federal Deposit Insurance Corporation to the extent provided by federal law;

16. "Main office" means the office location which has been designated by the Commissioner or the Office of Thrift Supervision as the main office of an association;

~~11. 17. "Member" means the holder of a savings deposit account, ~~savings deposit, or other withdrawable account~~ of a mutual association, and also includes the owner of real estate upon which the mutual association holds a mortgage or deed of trust;~~

~~12. 18. "Mutual association" means a savings and loan an association which derives its principal capital from the ~~savings accounts, savings deposits or other withdrawable~~ deposit accounts of its members and whose members have the right to participate in the management of the association. The term includes any association organized or existing under prior laws of this state. A mutual association is not a deposit association unless and until it becomes qualified as such;~~

~~13. 19. "Net worth" of a stock association shall mean the aggregate of the permanent capital stock account, paid-in surplus, earned surplus, legal and federal insurance reserves and undivided profits;~~

~~14. 20. "Permanent capital stock" means that part of the capital or liabilities of an association representing ownership of the association and which is not subject to being withdrawn or the value paid to the holder thereof unless and until all other liabilities of the association have been fully liquidated and paid;~~

~~15. "Population" shall mean the population as shown and determined by the latest Federal Decennial Census of any city or town in which an association has its principal place of business. If the principal place of business of an association is outside the boundaries or corporate limits of any city or town, then the population within a radius of three (3) miles of its principal place of business and which is not included within the boundaries or corporate limits of any city or town, as such population is shown and determined by such Federal Decennial Census, shall be the basis for classification under this code;~~

~~16. "Savings account" means that part of the capital of a mutual association or that part of the liabilities of a stock association which is credited to the holder thereof and with respect to which the association issues a certificate, passbook, or other evidence or holding;~~

~~17. "Savings deposit" means a savings account in an association qualified to accept deposits and on which the association pays interest, whether at a fixed or indeterminate rate;~~

~~18. 21. "Shares" or "share accounts" means any savings deposit account issued by a mutual association in the form of installment shares, optional installment shares, full paid shares, prepaid shares, savings shares, or other shares by whatever name called, evidenced by passbook, certificate, or other evidence or holding;~~

~~19. 22. "Stock association" means a savings and loan an association which issues permanent capital stock and which limits the right to participate in the management of the association to the~~

holders of such permanent capital stock. Stock associations are also deposit associations;

~~20.~~ 23. "Stockholder" means the holder of permanent capital stock;

~~21.~~ 24. "Withdrawable account" means a ~~savings deposit~~ savings deposit account, ~~savings deposit or other authorized account or deposit~~ of an association which does not represent permanent capital stock; and

~~22.~~ 25. "Withdrawal value" means the amount paid to an association on a ~~savings deposit~~ savings deposit account ~~or savings deposit~~ plus earnings credited thereto, less lawful deductions therefrom.

SECTION 3. AMENDATORY 18 O.S. 1991, Section 381.3, is amended to read as follows:

Section 381.3 The certificate of incorporation and certificate of authority to transact business as ~~a savings and loan~~ an association, of every association heretofore organized under the laws of this state and existing ~~at the time of adoption of this act~~ as of January 1, 2000, shall continue in full force and effect, and the same shall be deemed as modified to conform with this act without the adoption of a new certificate of incorporation or issuance of a new certificate of authority. The contracts, obligations and liabilities of every such association, and the contracts, notes, mortgages, investments and other assets and rights of every kind and nature held by it, as well as its bylaws and resolutions, shall continue in full force and effect. Every such association and every association hereafter incorporated shall have perpetual existence, subject to merger, conversion or liquidation pursuant to the provisions of this act.

SECTION 4. AMENDATORY 18 O.S. 1991, Section 381.4, is amended to read as follows:

Section 381.4 The shares of capital, savings share accounts or other capital accounts of every existing association, and the certificates and passbooks evidencing the same, in whatever form issued, shall continue in full force and effect with full ~~savings~~ deposit account holders' rights, including the right to withdraw, to vote and to share in distribution of assets upon liquidation of the association.

SECTION 5. AMENDATORY 18 O.S. 1991, Section 381.5, as amended by Section 31, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.5), is amended to read as follows:

Section 381.5 A. The Oklahoma Savings and Loan Board is ~~hereby~~ abolished. The power, duties and responsibilities exercised by the Oklahoma Savings and Loan Board shall be transferred to the State Banking Commissioner. All unexpended funds, property, records, personnel and outstanding financial obligations and encumbrances of the Oklahoma Savings and Loan Board are hereby transferred to the Oklahoma State Banking Department.

B. Any reference to the Oklahoma Savings and Loan Board in the Oklahoma Statutes or in rules ~~and regulations~~ promulgated pursuant to the Oklahoma Statutes shall mean the State Banking Commissioner.

C. The rules ~~and regulations~~ promulgated by the Oklahoma Savings and Loan Board ~~prior to the effective date of this act~~ shall continue in effect until such rules ~~and regulations~~ are amended or repealed by rule of the ~~State Banking~~ Commissioner promulgated pursuant to the provisions of Article I of the Administrative Procedures Act, Section 250.3 et seq. of Title 75 of the Oklahoma Statutes.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.6a of Title 18, unless there is created a duplication in numbering, reads as follows:

A. The following records in the Oklahoma State Banking Department are designated as public records:

1. All applications for association charters and branches and supporting information with the exception of personal financial records of individual applicants;

2. All records introduced at public hearings on association charter and branch applications;

3. Information disclosing the failure of an association, a foreign association and their branches in this state and the reasons therefor;

4. Reports of completed investigations which uncover a shortage of funds in an association or an out-of-state association and branches of either, after the reporting of the shortage to proper authorities by the State Banking Commissioner;

5. Names of all stockholders and officers of associations, foreign associations, holding companies, and branches of foreign associations located in this state filed in the office of the Secretary of State; and

6. Regular financial call reports of associations.

B. All other records in the Department shall be confidential and not subject to public inspection. However, the Commissioner may, in the sole discretion of the Commissioner, divulge such confidential information after receipt of a written request which shall:

1. Specify the record or records to which access is requested; and

2. Give the reasons for the request.

Such records may also be produced pursuant to a valid judicial subpoena or other legal process requiring production, if the Commissioner determines that the records are relevant to the hearing or proceeding and that production is in the best interests of justice. The records may be disclosed only after a determination by the Commissioner that good cause exists for the disclosure. Either prior to or at the time of any disclosure, the Commissioner shall impose such terms and conditions as the Commissioner deems necessary to protect the confidential nature of the record, the financial integrity of any institution to which the record relates, and the legitimate privacy of any individual named in such records.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.7a of Title 18, unless there is created a duplication in numbering, reads as follows:

A. 1. The State Banking Commissioner shall, at least every eighteen (18) months or as often as the Commissioner deems advisable, examine every association, and for the purpose of making such examinations and special examinations, shall have full access to all books, papers, securities, records and other sources of information under the control of the association. The Commissioner shall make and file in the office of the Commissioner a report in detail disclosing the results of such examination. The Commissioner shall mail a copy of the report to the association examined. However, the Commissioner may accept, in lieu of any three consecutive association examinations, an examination of the association by the Office of Thrift Supervision, if conducted within a reasonable period of time, and if a copy of the examination is furnished to the Commissioner.

2. The Commissioner may also accept any other report relative to the condition of an association, which shall include joint or concurrent examinations that may be obtained by the authorities within a reasonable period, in lieu of such report authorized by the laws of this state to be required of such association by the Oklahoma State Banking Department, provided a copy of such report is furnished to the Commissioner.

3. The Commissioner may enter into cooperative, coordinating and information-sharing agreements with the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, or the Office of Thrift Supervision with respect to the periodic examination or other supervision of any association.

4. When requested in writing upon authority of the board of directors or stockholders owning a majority of the capital stock of any association, the Commissioner shall, if in the opinion of the Commissioner such examination is desirable, make or cause to be made an examination into the affairs and conditions of such association. For such examination, the association shall pay the same fees as provided for in subsection D of Section 381.15 of this title.

B. Every association shall make two reports each year. Associations may be required to make more reports if called upon by the Commissioner. All reports shall be according to the form which may be prescribed by the Commissioner. The reports shall be verified by the oath or affirmation of the president, cashier or secretary of such association and attested by the signatures of at least two of the directors. Each report shall exhibit, in detail and under appropriate headings, the resources and liabilities of the association at the close of business on any last day specified by the Commissioner, shall be transmitted to the Commissioner within thirty (30) calendar days after the call date, and may, at the option of the association, be published at the expense of the association in the same form in which it is presented to the Commissioner. The Commissioner shall also have the power to request special reports from any association whenever, in the judgment of the Commissioner, such reports are necessary in order to gain a full and complete knowledge of its condition. However, the reports authorized and required by this section, to be requested by the

Commissioner, shall relate to a date prior to the date of such request and such prior date shall be specified in the request. Additionally, the Commissioner may accept, in lieu of the reports referred to in this section, reports made by associations that are members of the Federal Home Loan Bank System on forms provided by the Federal Home Loan Bank System.

C. Every association which fails to make and transmit any report required pursuant to this section shall be subject to a penalty, at the discretion of the Commissioner, not to exceed Fifty Dollars (\$50.00) for each day, after the specified period, that the association delays to make and transmit its report. Whenever any association delays or refuses to pay the penalty herein imposed for a failure to make and transmit a report, the Commissioner is hereby authorized to maintain an action in the name of the state against the delinquent association for the recovery of such penalty, and all sums collected by such action shall be paid into the State Treasury to be credited to the General Revenue Fund.

D. The Commissioner may provide a form for the examinations and reports set forth in this section. All examinations and reports received by the Commissioner shall be preserved in the office of the Commissioner for a period of not less than five (5) years. The preservation may be in an electronic format, and paper copies or originals need not be retained. Such examination, reports and all other records of operating associations in the Department are to be kept confidential, except as permitted by this act.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.8a of Title 18, unless there is created a duplication in numbering, reads as follows:

All documents which the Oklahoma State Banking Department is required, by any provision of this act or by any other statute or rule of this state, to retain or preserve in its possession may be retained and preserved, in lieu of retention of the original records or copies, in an electronic format and stored by electronic imaging or otherwise so that the documents may be reproduced later. Any such electronically stored or imaged document or reproduction shall have the same force and effect as the original document and be admitted in evidence as if such document was the original.

SECTION 9. AMENDATORY 18 O.S. 1991, Section 381.11, as amended by Section 35, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.11), is amended to read as follows:

Section 381.11 A. The State Banking Commissioner shall have general supervision of associations, in addition to the authority set forth in other sections of this act. ~~Whenever it is brought to the attention of the Commissioner by an examination report, or otherwise, that an association is violating any provision of this act, or is failing to maintain adequate documentary or accounting records, or is engaging in practices deemed by him to be unsafe or unsound, he may order such association to discontinue the violation or unsound practice, or to establish such records as he shall deem necessary.~~ In addition to other powers conferred by this act, the Commissioner shall have the power to order an association, a holding company of an association, shareholder, officer, director, or employee to:

1. Maintain an accounting system in accordance with such rules as may be prescribed by the Commissioner; provided, the accounting system required shall have due regard to the size of the association;

2. Observe methods and standards which the Commissioner may prescribe for determining the value of various types of assets;

3. Charge off the whole or part of an asset which at the time of the Commissioner's action could not lawfully be acquired;

4. Write down an asset to its market value;

5. Record liens and other interests in property;

6. Obtain a financial statement from a borrower to the extent the association can do so;

7. Obtain insurance against damage to real estate taken as security;

8. Search, or obtain insurance for, the title to real estate taken as security;

9. Maintain adequate insurance against such other risks as the Commissioner may determine to be necessary and appropriate for the protection of depositors and the public; and

10. Cease and desist from engaging in any act or transaction, or doing any act in furtherance thereof, which would constitute a violation of the provisions of this act, applicable federal laws, the applicable laws of another state, or a lawful regulation issued thereunder, or to cease and desist from engaging in any unsafe or unsound practice.

B. Before issuing an order provided for in subsection A of this section, the Commissioner shall give reasonable notice and opportunity for a hearing. However, if the Commissioner makes written findings of fact that the protection of depositors will be harmed by delay in issuing an order provided for in subsection A of this section, the Commissioner may issue a temporary order pending the hearing on the order provided for in subsection A of this section. The temporary order shall remain in effect until three (3) business days after the hearing on the order provided for in subsection A of this section and shall become final if the association subject to the order fails within fifteen (15) days after the receipt of the order to request a hearing to determine whether the temporary order should be modified, vacated, or become final. If a hearing on the temporary order is not held upon written request, the temporary order shall dissolve, and the order provided for in subsection A of this section shall not be issued except upon reasonable notice and opportunity for hearing.

C. The Commissioner may enter into cooperative, coordinating, and information-sharing agreements with any other supervisory agencies or any organization affiliated with or representing one or more supervisory agencies with respect to the periodic examination or other supervision of any association, bank holding company, or branch in this state or an out-of-state association, or any branch of an Oklahoma-chartered association in any other state, and the

Commissioner may accept such reports of examination and reports of investigation in lieu of conducting the Commissioner's own examinations or investigations.

D. The Commissioner may enter into cooperative agreements with other regulatory agencies to facilitate the regulation of associations and holding companies doing business in this state. The Commissioner may accept reports of examinations and other records from such other agencies in lieu of the Oklahoma State Banking Department conducting the examinations of associations controlled by out-of-state holding companies. The Commissioner may take any action jointly with other regulatory agencies having concurrent jurisdiction over associations and holding companies or may take such actions independently in order to carry out the Commissioner's responsibilities.

E. 1. The Commissioner may issue interpretive statements containing matters of general policy for the guidance of associations subject to this act. The Commissioner may amend or repeal an interpretative statement by issuing an amended statement or notice of repeal of a statement and shall provide notice thereof and make it available upon request to all associations chartered under this act.

2. The Commissioner may issue opinions in response to specific requests from members of the public or the association industry directly or through the Deputy State Banking Commissioner or the attorneys of the Department. The Commissioner may amend or repeal an opinion by issuing an amended statement or notice of repeal of an opinion and shall provide notice thereof and make it available upon request to all associations chartered under this act. However, the requesting party may rely on the original opinion if:

- a. all material facts were originally disclosed to the Commissioner,
- b. considerations of safety and soundness of the affected association are not implicated with respect to further and prospective reliance on the original opinion, and
- c. the text and interpretation of relevant governing provisions of this act have not been changed by legislative or judicial action.

3. An interpretive statement or opinion issued under this section does not have the force of law and is not a rule.

F. Upon failure of such association to comply with the ~~Commissioner's~~ order or requirements of the Commissioner, the Commissioner may suspend ~~such association's~~ the certificate of authority to transact business of such association, or ~~he~~ the Commissioner may place ~~said~~ the association in receivership in the manner provided by this act.

SECTION 10. AMENDATORY 18 O.S. 1991, Section 381.13, is amended to read as follows:

Section 381.13 The State Banking Commissioner may appoint a savings and loan administrator with special duties and authority of conducting and supervising examinations of associations in addition

to such other duties as the Commissioner may assign to ~~him~~ the savings and loan administrator.

The bond of the savings and loan administrator shall be the same as that set for the Deputy State Banking Commissioner.

SECTION 11. AMENDATORY 18 O.S. 1991, Section 381.15, as amended by Section 37, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.15), is amended to read as follows:

Section 381.15 A. In the case of any insured association which is examined periodically by the Director of the Office of Thrift Supervision, and whose financial records are audited periodically in accordance with regulations of the Director of the Office of Thrift Supervision, the State Banking Commissioner may accept such examination and audit reports, and rely upon accuracy thereof, in lieu of examinations by the savings and loan administrator. It shall be the responsibility of each insured association to provide such reports to the Commissioner within ten (10) days of such time as such reports are received from the agency, person or firm preparing them. The Commissioner may require a special examination of any association to be made at any time when in ~~their~~ the judgment of the Commissioner an examination may be necessary. ~~Every insured association shall pay as fees for supervisory services the sum of four cents (\$0.04) per One Thousand Dollars (\$1,000.00) of the first Ten Million Dollars (\$10,000,000.00) of assets of such association, a sum of three cents (\$0.03) per One Thousand Dollars (\$1,000.00) of the second Ten Million Dollars (\$10,000,000.00) of assets, a sum of two cents (\$0.02) per One Thousand Dollars (\$1,000.00) of the third Ten Million Dollars (\$10,000,000.00) of assets, and a sum of one cent (\$0.01) per One Thousand Dollars (\$1,000.00) of all over Thirty Million Dollars (\$30,000,000.00) of assets.~~

B. ~~Each association shall pay~~ The Commissioner shall charge and collect an assessment from each association chartered pursuant to this act on each One Thousand Dollars (\$1,000.00) of assets, or major fraction thereof, at a rate established by the Commissioner.

C. The Commissioner shall charge and collect from each association under the supervision of the Commissioner an annual fee, in addition to the assessment set forth in subsection B of this section, of not more than Five Hundred Dollars (\$500.00), which shall be deposited in the Oklahoma State Banking Department revolving fund as set forth in Section 211.1 of Title 6 of the Oklahoma Statutes.

D. Whenever it is deemed advisable by the Commissioner, a special examination of an association may be conducted. The expense of the Department necessarily incurred in the special examination shall be chargeable to the association at a rate not in excess of Fifty Dollars (\$50.00) per examiner per hour and actual expenses for each examiner for actual time consumed by the State Banking Department in making examinations of the association. Payments received pursuant to this subsection shall be deposited in the State Banking Department revolving fund pursuant to Section 222 of this title plus travel expenses as provided by Section 201.1 of Title 6 of the Oklahoma Statutes for each examining person while engaged at such association.

~~C.~~ E. Each foreign association doing business in this state under a certificate of authority shall furnish to the Commissioner, with each annual examination report, a statement showing the total amount of Oklahoma real estate loans and other loans made to Oklahoma residents. The annual supervisory fee of every such foreign association shall be computed and paid on the aggregate amount of such loans at the rate of twelve cents (\$0.12) per One Thousand Dollars (\$1,000.00) of such loans.

~~D.~~ F. Except as otherwise provided in by law, all assessments received pursuant to subsection B of this section, ~~all fees payable under this section shall be collected under the authority of the Commissioner and by him~~ shall be paid into the State Treasury ~~where they shall~~ and accrue to the General Revenue Fund of this state. All fees received pursuant to subsections C and D of this section, Section 381.16 of this title, and fees set by the Commissioner or otherwise provided for in rules promulgated by the Commissioner, shall be deposited in the Department revolving fund pursuant to Section 211.1 of Title 6 of the Oklahoma Statutes.

SECTION 12. AMENDATORY 18 O.S. 1991, Section 381.16, as amended by Section 38, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.16), is amended to read as follows:

Section 381.16 At any time hereafter when ten or more individuals, residents of this state, desire to form a mutual association, or one or more individuals, residents of this state, desire to form a stock association under the provisions of this act, such persons, hereinafter referred to as the incorporators, shall file with the State Banking Commissioner the following:

1. Four copies of the proposed certificate of incorporation, signed and acknowledged by all of the incorporators and addressed to the Secretary of State ~~;~~;

2. ~~Four~~ An original and three copies of an application for a certificate of authority to transact business as ~~a savings and loan~~ an association, addressed to the Commissioner ~~;~~;

3. Four copies of the ~~suggested~~ proposed bylaws for the proposed association ~~;~~;

4. A remittance of Two Hundred Dollars (\$200.00) payable to the Secretary of State of Oklahoma, as the incorporation fee in lieu of the fees prescribed by paragraph 9 of subsection A of Section 1142 of this title, which shall not be applicable to an association ~~;~~; and

5. A deposit of Two Thousand Dollars (\$2,000.00) payable to the Commissioner to be used for the purpose of defraying expenses of an investigation and report of the feasibility of the proposed association and other expenses incidental to the consideration of the application.

SECTION 13. AMENDATORY 18 O.S. 1991, Section 381.17, as amended by Section 39, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.17), is amended to read as follows:

Section 381.17 The certificate of incorporation shall set forth:

1. The name of the association;
2. That its term of existence is perpetual;
3. That the purpose for which it is formed is to engage in the business of ~~a savings and loan~~ an association pursuant to the Oklahoma Savings and Loan Code and the rules ~~and regulations of the State Banking Commissioner~~ promulgated thereunder;
4. The place where it is to maintain the ~~principal~~ main office for the transaction of business;
5. The names and addresses of the incorporators, and the amounts of the ~~savings~~ deposit accounts or number of shares of stock subscribed by each of them; ~~and~~
6. If the association will be a stock association, the number of shares of stock of each class to be authorized and issued and the par value per share; and
7. Such other proper provisions to govern the business and affairs of the association as may be desired by the incorporators.

SECTION 14. AMENDATORY 18 O.S. 1991, Section 381.18, is amended to read as follows:

Section 381.18 The application for a certificate of authority to transact ~~savings and loan~~ business as an association shall be accompanied by data concerning the community in which the proposed association is to be located, the occupations of the incorporators, ~~the need for a new association,~~ and a plan for payment of expenses of the proposed association until it is incorporated and is granted a certificate of authority, in the case of a stock association, or until it becomes self-sustaining from its own operating income in the case of a mutual association.

SECTION 15. AMENDATORY 18 O.S. 1991, Section 381.19, as amended by Section 40, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.19), is amended to read as follows:

Section 381.19 The State Banking Commissioner shall act upon and issue ~~its~~ an order granting or denying each application for a certificate of authority, ~~after a hearing upon the application conducted as an individual proceeding under the Administrative Procedures Act of this state.~~ If the Commissioner finds that the application should be granted, ~~he~~ the Commissioner shall designate the amount of ~~savings~~ deposit accounts required and fix a reasonable time within which the funds subscribed may be placed in escrow in a bank or trust company approved by the Commissioner, to be delivered to the association after incorporation or returned to the subscribers if incorporation is not completed. The Commissioner may also require the incorporators to advance funds necessary to pay organizational expenses and other expenses for starting business, such advances to be repaid by the association after its incorporation and the granting of its certificate of authority, in the case of a stock association, or after its income is sufficient to meet reserve requirements, in the case of a mutual association, and further, in the case of a mutual association, to pay reasonable earnings on the ~~association's savings~~ deposit accounts of the association. If and when all requirements are met, a certificate of

authority shall be issued by the Commissioner. The Secretary of State shall file the approved certificate of incorporation upon receipt of the incorporation fee. ~~Approval~~ If the deposit accounts of the association are to be insured, approval shall be contingent upon the ~~proposed association's~~ making, by the proposed association, of a bona fide application for insurance of accounts and deposits by the Federal Deposit Insurance Corporation and upon approval of such application by the ~~corporation~~ Federal Deposit Insurance Corporation.

SECTION 16. AMENDATORY 18 O.S. 1991, Section 381.20, as amended by Section 41, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.20), is amended to read as follows:

Section 381.20 A. Before a certificate of authority is issued for a new mutual association, there shall be paid into the escrow fund as subscriptions to ~~savings deposit~~ accounts of the proposed association such aggregate amount as the State Banking Commissioner shall deem adequate, but, if insured, not less than an amount necessary to meet the requirements of the Federal Deposit Insurance Corporation. If the organizers intend to organize and operate the association without federal insurance on its deposit accounts, the amount paid into the escrow fund as subscriptions to deposit accounts of the proposed association shall be at the sole discretion of the Commissioner.

B. No permanent capital stock association may be organized hereafter unless, prior to the filing of its certificate of incorporation, such amounts of its permanent capital stock as the Commissioner shall deem adequate, but, if insured, not less than an amount necessary to meet the requirements of the Federal Deposit Insurance Corporation shall have been subscribed for and paid for in lawful money of the United States. If the organizers intend to organize and operate the association without federal insurance on its deposit accounts, the amount of permanent capital stock required shall be at the sole discretion of the Commissioner.

SECTION 17. AMENDATORY 18 O.S. 1991, Section 381.21, is amended to read as follows:

Section 381.21 The corporate existence of an association shall begin on the date of filing of the certificate of incorporation with the Secretary of State and within thirty (30) days thereafter an organizational meeting shall be held by the ~~savings accounts~~ deposit account holders or permanent capital stock subscribers pursuant to notice mailed to each of them not less than seven (7) days before the date of the meeting. At such meeting, bylaws of the association shall be adopted and directors shall be elected.

SECTION 18. AMENDATORY 18 O.S. 1991, Section 381.22, as amended by Section 42, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.22), is amended to read as follows:

Section 381.22 The name of every association hereafter incorporated pursuant to this act, and of any existing association which hereafter changes its name, shall ~~include the words "Savings and Loan Association", "Savings Association", or "Savings Bank", preceded by appropriate descriptive word or words~~ be approved by the State Banking Commissioner. The name shall not so nearly resemble

the name of another association or federal association as to be likely to deceive the public. Associations may operate under trade names as approved by the Commissioner.

SECTION 19. AMENDATORY 18 O.S. 1991, Section 381.23, is amended to read as follows:

Section 381.23 No person, firm, company, partnership or corporation, either domestic or foreign, unless lawfully authorized to do business in this state under the provisions of this act, shall do business in this state under any name or title which contains the terms "savings and loan", "building and loan", "savings association", "savings bank" or combination of such terms in any manner which indicates or reasonably implies that ~~his or~~ its business is of the character or kind carried on or transacted by ~~a savings and loan~~ an association, or that is likely to lead any person to believe that such business is that of ~~a savings and loan~~ an association. Upon application by the Commissioner, or any association, a court of competent jurisdiction may issue an injunction to restrain any such entity from violating or continuing to violate the provisions of this section.

SECTION 20. AMENDATORY 18 O.S. 1991, Section 381.24, as amended by Section 43, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.24), is amended to read as follows:

Section 381.24 ~~After the effective date of this act, no~~ No association shall move its ~~home~~ main office ~~designated in the certificate of incorporation from its immediate vicinity or branch office,~~ or change its name except with permission granted by order of the State Banking Commissioner. In the event permission is granted to move the ~~home~~ main office to a town or city other than that named in the ~~association's~~ association's certificate of incorporation of the association, or to change the name, an amended certificate of incorporation shall be filed.

SECTION 21. AMENDATORY 18 O.S. 1991, Section 381.24a, as last amended by Section 1, Chapter 48, O.S.L. 1996 (18 O.S. Supp. 1999, Section 381.24a), is amended to read as follows:

Section 381.24a A. ~~Definitions. As used in this section:~~

~~1. "Bank" means any bank chartered under the laws of this state or any national bank which is authorized to engage in the banking business and is located in this state;~~

~~2. "Branch" means any place of business separated from the main office of a savings association at which deposits are received, or checks paid, or money lent;~~

~~3. "Main bank" means the office location which has been designated by the State Banking Commissioner or Comptroller of the Currency as the main office of a bank;~~

~~4. "Main office" means the main office location of a savings association;~~

~~5. "Savings association" means any savings and loan association or savings bank chartered under the laws of this state or any federal savings and loan association or savings bank which is authorized to engage in the savings and loan business and is located in this state; and~~

~~6. "Bank branch" means any place of business separated from the main office of a bank at which deposits are received, checks paid, or money lent.~~

~~B. Authorization to establish branches. From and after May 3, 1990, and until July 1, 1999, new association branches may be established only under the guidelines set forth in this section. From and after July 1, 1999, new association branches may be established with permission granted by order of the State Banking Commissioner without regard to the restrictions otherwise provided in this subsection. Association branches approved prior to May 3, 1990, shall be grandfathered and shall not be counted towards the two-branch limitation contained in this subsection. Association branches approved prior to May 3, 1990, may be relocated without regard to geographical restrictions contained in this subsection.~~

~~1. Any association may establish and perform any association function at no more than two branches on property owned or leased by the association as follows:~~

- ~~a. located within the corporate city limits where the main office is located, or~~
- ~~b. located within twenty-five (25) miles of the main office if located in a city or town which has no state or federal savings association and no state or national bank located in said city or town; provided however, if an application for a certificate of authority to transact savings and loan business has been filed the Commissioner shall give priority to the application for certificate of authority.~~

~~2. The Commissioner shall not grant a certificate for any branch unless it is more than three hundred thirty (330) feet from any main office or branch or another association or federal association in counties with a population of five hundred thousand (500,000) or more according to the last Federal Decennial Census unless the branch is established with the irrevocable consent of such other association or federal association. This distance limitation shall be determined by measuring along a straight line drawn between the nearest exterior wall of the appropriate main office building or branch building and the nearest exterior wall of the branch office building.~~

~~3. If at the time of acquisition of an association or federal association pursuant to subsection C of this section no other association or federal association was located in the same city or town as the acquired association or federal association, the Commissioner shall not grant any other association a certificate to establish a branch within such city or town for a period of five (5) years after the acquisition and operation of the branch.~~

~~C. Authorization to branch by acquisition. Subject to the limitations in subsection D of this section, any association may acquire and operate as branches at which any association function may be performed an unlimited number of banks or associations or federal associations or bank branches or association branches or federal association branches without restriction on location. Any such acquisition of a bank, association or federal association may include all of the assets and liabilities of the bank, association,~~

~~or federal association and all branches and facilities thereof which have been established prior to the date of the acquisition as determined by the Comptroller of the Currency, the Commissioner, or the Office of Thrift Supervision.~~

~~If a bank, association or federal association acquired pursuant to this subsection had no outside-attached facilities or detached facilities permitted under Section 415 of Title 6 of the Oklahoma Statutes or Section 381.24b of this title at the time of acquisition, the acquiring association may establish such facilities after the acquisition.~~

D. Deposit limitation. Upon approval of the State Banking Commissioner, any association shall be authorized to establish and operate in this state, on real property owned or leased by the association, an unlimited number of branches by acquisition, de novo, or otherwise. Such branches may be fixed or mobile, and any permissible function, business, power, or activity of any kind of the association may be performed or engaged in at such location. However, branches established by acquisition shall be subject to the limitations as set forth in subsection B of this section.

B. 1. It shall be unlawful for any association to acquire any other association, federal association or bank in ~~Oklahoma~~ this state or any portion of its assets if such acquisition would result in the association having direct or indirect ownership or control of more than ~~eleven percent (11%)~~ fifteen percent (15%) of the aggregate deposits of all financial institutions located in ~~Oklahoma~~ this state which have deposits insured by the Federal Deposit Insurance Corporation and ~~National Credit Union Administration~~ as determined by the Commissioner on the basis of the most recent reports of such institutions to their supervisory authorities which are available at the time of the proposed acquisition.

2. The deposit limitation provided for in this subsection shall not apply to disallow an acquisition of a bank, association or federal association if control results only by reason of ownership or control of shares of such financial institution acquired directly or indirectly:

- a. in a good faith fiduciary capacity, except when such shares are held for the benefit of the acquiring association's shareholders, or
- b. by an association in the regular course of securing or collecting a debt previously contracted in good faith, or
- c. at the request of or in connection with the exercise of regulatory authority for the purpose of preventing imminent failure of the bank, association or federal association or to protect the depositors thereof as determined by the principal supervisory agency in its sole discretion.

Provided, however, at the end of a period of five (5) years from the date of acquisition, for the circumstances set forth in subparagraphs b and c of this paragraph, the deposits of the acquired bank or association or federal association shall be included in computing the deposit limitation and if deposits are in

excess, appropriate reductions and disposition shall be made within six (6) months to meet such limitations. Further, in the circumstances set forth in subparagraph c of this paragraph, the Commissioner and the Federal Deposit Insurance Corporation shall give priority in authorizing any such acquisition to any acquiring association whose total deposits do not exceed the deposit limitation.

~~E. Certificate to establish and operate a branch.~~

C. 1. No association shall be permitted to establish or operate a branch except upon certificate issued by the Commissioner or Office of Thrift Supervision.

2. The application for a certificate to establish ~~or~~, operate, or relocate a branch of an association shall comply with the regulations of the Commissioner.

~~F. Right to operate and maintain facilities~~ D. The provisions of this section shall not be construed in derogation or denial of the right to operate and maintain facilities as provided for in Sections 381.24b, 381.24c and 381.24d of this title.

~~G. Sanctions~~ E. A violation of any portion of this section, upon conviction, shall be a misdemeanor punishable by a fine not exceeding Five Hundred Dollars (\$500.00). Each day's violation shall constitute a separate offense.

~~H. F.~~ Nothing contained in this section shall be construed to limit the authority of federal savings associations to branch in accordance with federal law and regulations.

SECTION 22. AMENDATORY 18 O.S. 1991, Section 381.24b, as amended by Section 45, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.24b), is amended to read as follows:

Section 381.24b A. 1. Any association may maintain and operate, subject to the approval of the State Banking Commissioner as evidenced by ~~its~~ the certificate of the Commissioner, outside attached facilities and ~~two~~ detached facilities on real property owned or leased by the association having one or more tellers' windows for drive-in or walk-up service or both. ~~Of the two detached facilities, permitted by this section, one may be on property owned or leased by the association and located less than one thousand (1,000) feet from the association's main office and one may be on property owned or leased by the association located less than three (3) miles from said main office.~~

2. Any branch may maintain and operate, ~~subject to the approval of the Commissioner as evidenced by its certificate~~, one outside attached ~~facility~~ facilities having one or more tellers' windows for drive-in or walk-up service or both on property owned or leased by the association.

~~3. The Commissioner shall not grant a certificate for a detached facility unless it is more than three hundred thirty (330) feet from any other existing main office or branch of another association or federal association or unless the facility is established with the irrevocable consent of such other association or federal association.~~

~~4. For purposes of this section, the distance limitation shall be determined by measuring along a straight line drawn between the nearest exterior wall of the appropriate main office building or branch building and the nearest exterior wall of the facility.~~

B. 1. No association shall be permitted to maintain and operate such additional outside facilities except upon certificate issued by the Commissioner. The issuance of the certificates shall rest solely ~~as to the location~~ in the discretion of the Commissioner.

2. The application for a certificate to maintain and operate a detached facility shall comply with the ~~regulations~~ rules of the Commissioner. An application fee shall be payable to the Oklahoma State Banking Department in an amount set by rule of the Commissioner.

3. Any association function may be performed at the facilities except that of making loans. Upon the recommendation of the Commissioner, the Attorney General shall bring an appropriate action to enjoin an association from conducting the making of loans at such facilities.

4. Any association validly operating a detached facility prior to May 3, 1990, shall be granted a certificate to continue its operation at such facility. ~~Any such detached facility shall be grandfathered and shall not count against the number of detached facilities permitted by paragraph 1 of subsection A of this section, nor shall the distance limitations in that subsection be applicable.~~

5. The provisions of this section shall not be construed in derogation or denial of the right to operate and maintain facilities as provided for in Sections 381.24c and 381.24d of this title.

C. A violation of any portion of this section shall be and constitute a misdemeanor punishable upon conviction by a fine not exceeding Five Hundred Dollars (\$500.00). Each day's violation shall constitute a separate offense.

D. Nothing contained in this section shall be construed to limit the authority of federal savings associations to maintain and operate outside or detached facilities in accordance with federal law and regulations.

SECTION 23. AMENDATORY 18 O.S. 1991, Section 381.24c, as amended by Section 46, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.24c), is amended to read as follows:

Section 381.24c A. Any association may, subject to the approval of the State Banking Commissioner as evidenced by its certificates, and subject to the approval of the military installation commander as evidenced by a letter of approval, maintain and operate a ~~detached~~ military savings facility on any military installation located in ~~the State of Oklahoma~~ this state.

B. As used in this section, the term "military savings facility" shall mean a detached facility or branch maintained by an association upon a military installation within ~~the State of Oklahoma~~ this state, provided such military savings facility must be

within the confines of a military reservation and located upon property owned or leased by the United States government.

C. 1. No association shall be permitted to maintain and operate such military savings facility, except on certificate issued by the Commissioner. The issuance of such certificate shall rest solely in the discretion of the Commissioner.

2. The application for a certificate to maintain and operate a military savings facility shall comply with the regulations of the Commissioner. An application fee shall be payable to the Oklahoma State Banking Department in an amount set by rule of the Commissioner.

3. No association function shall be performed at the facility save that of accepting deposits, cashing checks, making change, selling ~~bank paper, such as bank~~ drafts, cashier's checks, money orders, traveler's checks, etc., accepting payment for personal utility bills, redeeming and selling United States Savings Bonds, and such other services as the installation commander may request, in writing, of the association. Upon the recommendation of the Commissioner, the Attorney General shall bring an appropriate action to enjoin an association from conducting association functions at such facility other than those herein granted.

D. A violation of any portion of this section shall be and constitute a misdemeanor punishable upon conviction by a fine not exceeding Five Hundred Dollars (\$500.00). Each day's violation shall constitute a separate offense.

SECTION 24. AMENDATORY 18 O.S. 1991, Section 381.24d, as amended by Section 47, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.24d), is amended to read as follows:

Section 381.24d A. Any association may install, operate or utilize consumer banking electronic facilities, provided written notice is given to the State Banking Commissioner prior to the commencement of operations of each facility. Such notice shall contain any reasonable descriptive information pertaining to the facility as shall be required by the rules or regulations of the Commissioner.

B. A consumer banking electronic facility, when located other than at an association's ~~principal~~ main office or detached facility, may be operated exclusively by association customers or transactions may be performed through the assistance of any person provided that person is not employed, either directly or indirectly, by any association, association holding company or subsidiary thereof. Such assistance shall not be deemed to be engaging in association business. Persons assisting association customers at the site of a consumer banking electronic facility may be trained by association employees and nothing in this section shall be construed to prohibit periodic servicing of a consumer banking electronic facility by an association employee. Under no circumstances may an employee of an association, association holding company, affiliate or subsidiary thereof perform transactions for others at the consumer banking electronic facility. However, a consumer banking electronic facility located on the business premises of a person engaged in the sale of goods or services may be used to perform internal nonbanking functions for such persons.

C. Consumer banking electronic facility transactions shall be considered as the conduct of association transactions at the ~~headquarters' location~~ main office of the association for which the data is transmitted.

D. 1. An association or combination of associations or business entity or organization offering such services to an association which establishes or maintains a manned or unmanned consumer banking electronic facility or facilities shall make the use thereof available to associations located in ~~Oklahoma~~ this state on a fair and equitable basis of nondiscriminatory access and rates. Provided, that if a retailer does accept any credit or debit card or other system, nothing herein shall be construed to deprive such retailer of the right to accept or reject any other credit or debit card or other system offered by any other association or business entity.

2. An association or combination of associations which establishes and maintains a manned consumer banking electronic facility or facilities may make the use thereof available on a reciprocal basis to banks and credit unions located in ~~Oklahoma~~ this state on a fair and equitable basis of nondiscriminatory access and rates.

3. In the event of a dispute, the ~~State Banking~~ Commissioner shall have the jurisdiction to determine, after a hearing conducted upon notice and pursuant to regulations adopted by the Commissioner, what constitutes a fair and equitable basis of nondiscriminatory access and rates, based upon cost of installation and proportionate usage of the facility. A principal factor in any equitable formula of shared costs of installation and/or operation shall give weight to the number of transactions of each participating association.

4. Proceedings under this section shall be subject to Article II of the Administrative Procedures Act, Section 309 et seq. of Title 75 of the Oklahoma Statutes.

E. Nothing contained in this section shall be construed to limit the authority of federal savings associations to install, operate or utilize consumer banking electronic facilities in accordance with federal law and regulations.

SECTION 25. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.24e of Title 18, unless there is created a duplication in numbering, reads as follows:

Upon written notice to the State Banking Commissioner, any association may establish one or more operations centers on property owned or leased by the association. For purposes of this section, "operations center" means an association facility separated from the main office of the association at which only the following association operations are conducted: computer processing, information systems, electronic communications, loan payment processing, bookkeeping, item processing, currency and coin processing and storage, data processing, and all support functions related thereto.

SECTION 26. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.24f of Title 18, unless there is created a duplication in numbering, reads as follows:

Subject to rules as may be promulgated by the State Banking Commissioner, an association may utilize employees of the association to originate loans or originate deposit accounts, or both, at locations other than the main office or a branch office of such association, provided that the loan decision is made and the loan is funded at the main office or a branch office of the association and provided that no deposits shall be accepted or received at the deposit origination office.

SECTION 27. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.24g of Title 18, unless there is created a duplication in numbering, reads as follows:

A. Any association subsidiary of an association holding company may receive deposits, renew time deposits, close loans, service loans, and receive payments on loans and other obligations as an agent for any other bank or association owned or controlled by the same holding company.

B. Despite any other provision of law, an association as an agent in accordance with subsection A of this section for an affiliate shall not be considered a branch of the affiliate.

C. An agency relationship between subsidiary institutions pursuant to subsection A of this section shall be on terms that are consistent with safe and sound practices and all applicable regulations of any appropriate regulatory agency.

SECTION 28. AMENDATORY 18 O.S. 1991, Section 381.25, is amended to read as follows:

Section 381.25 An amended certificate of incorporation must be signed and acknowledged by all of the directors of the association, and shall conform with the requirements for the original certificate of incorporation except that the names and addresses of the directors shall be stated in lieu of names of the incorporators. An amended certificate of incorporation shall be submitted to the State Banking Commissioner for approval and shall be filed with the Secretary of State upon payment by the association of the statutory filing fees for filing an amended certificate of incorporation. ~~Any decision of the Commissioner disapproving the proposed amendments contained in the amended certificate of incorporation may be appealed to the Board, which may then affirm, modify or reverse the decision of the Commissioner.~~

SECTION 29. AMENDATORY 18 O.S. 1991, Section 381.26, as amended by Section 48, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.26), is amended to read as follows:

Section 381.26 A. The bylaws of every association shall prescribe the notice and the time and place of the annual meeting of members or stockholders; the requirements for holding special meetings of members or stockholders; and the manner of determining the number and terms of office of the directors.

B. 1. Provisions with respect to directors' meetings, the selection and duties of officers, making of loans, issuance of various classes of ~~savings~~ deposit accounts or permanent capital stock, distribution of earnings, amendments of the bylaws, rights and obligations of members or stockholders, and any other matters

concerning operations of the association not in conflict with this act or rules ~~and regulations~~ of the State Banking Commissioner and not otherwise inconsistent with law or the certificate of incorporation of the association may be included in the bylaws.

2. The bylaws or a resolution of ~~a savings and loan~~ an association as adopted or amended by the members or stockholders may include a provision eliminating or limiting the personal liability of a director to the association or its holding company, or to the shareholders of either for any negligence in the performance of his duties but not for:

- a. any breach of the director's duty of loyalty to the association or its holding company, or to the shareholders of either ~~+~~ ;
- b. acts or omissions not in good faith or which involve intentional misconduct or a violation of law ~~+~~ ; or
- c. any transaction from which the director derived an improper personal benefit.

C. All bylaws and amendments hereafter adopted shall be promptly submitted to the Commissioner for approval. Any decision of the Commissioner disapproving proposed amendments may be appealed pursuant to the provisions of Section 207 of Title 6 of the Oklahoma Statutes.

D. The bylaws of each association shall constitute laws of the association, subordinate to this act, to the rules ~~and regulations~~ of the ~~Board~~ Commissioner, and to ~~the~~ applicable federal regulations of ~~the Director of the Office of Thrift Supervision~~.

E. The provisions of the Oklahoma General Corporation Act shall, insofar as the Oklahoma General Corporation Act is not inconsistent with this act, govern associations operating pursuant to the provisions of this act.

SECTION 30. AMENDATORY 18 O.S. 1991, Section 381.27, is amended to read as follows:

Section 381.27 Every holder of a ~~savings account or savings deposit~~ account of a mutual association and every borrower on the security of a mortgage or acquiring ownership of property upon which a mortgage is held by the association shall be deemed a member of such association. In a mutual association, a holder of a ~~savings deposit account or savings deposit~~ account shall be entitled to one vote for each One Hundred Dollars (\$100.00) of ~~his savings account or savings~~ the deposit account of the holder, and a mortgagor or owner of property on which the association holds a mortgage shall be entitled to one vote at all meetings of the members. Holders of the capital stock in a ~~capital~~ stock association shall have exclusive voting rights.

SECTION 31. AMENDATORY 18 O.S. 1991, Section 381.31, is amended to read as follows:

Section 381.31 A. The operating and business policies of each association shall be directed by a board of directors of not less than five nor more than fifteen persons elected by a majority of the

votes of the members or stockholders present in person or by proxy at the annual meeting. Directors need not be members or stockholders unless so required by the association's certificate of incorporation or bylaws. A majority of the directors shall be bona fide residents of this state. Directors may be elected for a longer term than one (1) year if the bylaws so provide, but no director may be elected for a term longer than three (3) years, and the terms of at least two directors shall expire each year.

B. If a vacancy occurs with respect to the board of directors, the remaining directors, though less than a quorum, may fill such vacancy by electing a director or directors to serve the remainder of the unexpired term for the class of directors in which such vacancies exist.

C. The board of directors shall meet each year, following the annual members' or stockholders' meeting, and shall elect the officers at such meeting. Such additional meetings of the board of directors shall or may be held as the bylaws shall require or permit. A majority of the directors, if present at any meeting, shall constitute a quorum unless the bylaws otherwise provide.

SECTION 32. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.31a of Title 18, unless there is created a duplication in numbering, reads as follows:

The board of directors of every association shall examine, at least once in each calendar year at intervals of not more than fifteen (15) months, all the affairs of the association including the character and value of investments and loans, the efficiency of operating procedures, and such other matters as the Commissioner prescribes. A report of the examination shall be submitted promptly to the Commissioner and shall embody such information as the Commissioner requires. The board of directors may provide that such examination shall be conducted by a committee of not less than three directors, by certified public accountants, or by independent auditors responsible only to the board of directors. Such examination shall be made when practicable without the assistance of the executive officers of the bank or trust company. Such report of examination shall be reviewed by the directors at the next meeting of the board of directors.

SECTION 33. AMENDATORY 18 O.S. 1991, Section 381.34, is amended to read as follows:

Section 381.34 Every association must protect itself against loss of money or property by or through any fraud, dishonesty, forgery or alteration, larceny, theft, embezzlement, or other criminal act of any director, officer, employee or agent, by a blanket bond covering all personnel and agents or by individual fidelity bonds, issued by a corporate surety. The amount and form of each such bond and sufficiency of the surety thereon shall be subject to review and disapproval by the State Banking Commissioner. The Commissioner may waive the bond requirement, in whole or in part, upon a showing by the association that such bonding is either unavailable, economically infeasible, or an imprudent business decision. Such waiver shall be for a period of time, to be stated in the Commissioner's order, not exceeding one (1) year, subject to extension upon further application. The ~~Commissioner's~~ order of the Commissioner waiving the bond requirement shall be conditioned on

the association continuing to seek an available, economically feasible bond.

SECTION 34. AMENDATORY 18 O.S. 1991, Section 381.36, as amended by Section 49, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.36), is amended to read as follows:

Section 381.36 Every association shall set up and maintain reserves for the purpose of absorbing losses and shall maintain such portion of its assets in cash and other liquid assets as shall be required by regulations of the State Banking Commissioner and by other applicable federal regulations ~~of the Director of the Office of Thrift Supervision.~~

SECTION 35. AMENDATORY 18 O.S. 1991, Section 381.37, as amended by Section 50, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.37), is amended to read as follows:

Section 381.37 A. A mutual association may raise capital in the form of savings deposit accounts, ~~or shares or other accounts, including savings deposits in the case of a deposit association,~~ for such fixed, minimum or indefinite periods of time as are authorized by its bylaws or by regulations of the State Banking Commissioner. Such ~~accounts and deposits, all of which are referred to in this section as savings deposit~~ accounts, shall all have equal priority upon liquidation. A mutual association may issue such passbooks, certificates, and other evidence of ~~savings deposit~~ accounts as are now or hereafter so authorized. With the exception of forms now in use by existing associations, all such forms evidencing savings deposit accounts shall be promptly submitted to the Commissioner, ~~and or~~ to the Director of the Office of Thrift Supervision, and the issuance of any such form shall be immediately discontinued in the event of disapproval. Unless otherwise provided by its bylaws, the total amount of ~~savings deposit~~ account liability of a mutual association is unlimited.

B. A stock association may incur liabilities in the form of ~~savings deposits~~ deposit accounts for such fixed, minimum or indefinite periods of time as are authorized by its bylaws or by regulations of the Commissioner. Such deposits shall all have equal priority upon liquidation. A stock association may issue such passbooks, certificates and other evidence of ~~savings deposits~~ as are now or may hereafter be authorized for deposit associations. New or proposed forms evidencing ~~savings deposits~~ deposit accounts shall be promptly submitted to the Commissioner, ~~and to the Director of the Office of Thrift Supervision,~~ and the issuance of any such form shall be immediately discontinued in the event of disapproval. In stock associations, holders of ~~savings deposits~~ deposit accounts shall participate first in all assets upon liquidation, but only to the extent of their ~~savings deposits~~ deposit accounts. Unless otherwise provided by its bylaws, the total amount of ~~savings deposit~~ account liability of a stock association is unlimited.

SECTION 36. AMENDATORY 18 O.S. 1991, Section 381.38, as amended by Section 51, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.38), is amended to read as follows:

Section 381.38 Any association may classify its ~~savings deposit~~ accounts ~~or savings deposits~~ according to the character, amount or duration thereof, or regularity of additions thereto, and may pay

additional or higher rates of earnings on accounts based on such classifications than is paid on regular ~~savings deposit~~ savings deposit accounts ~~or savings deposits~~, provided that any such higher rate, or bonus, to be paid on any class of accounts shall not exceed the limitations prescribed by the State Banking Commissioner or by ~~the Director of the Office of Thrift Supervision~~ applicable federal regulations. A mutual association may also classify its accounts according to type of account, such as full paid, single payment, installment, optional installment, bonus or other types of accounts designated by the bylaws and permitted by the Commissioner.

SECTION 37. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.39a of Title 18, unless there is created a duplication in numbering, reads as follows:

A. When a deposit has been made or shall hereafter be made in any association in the names of two or more persons, payable to any of them or payable to any of them or their survivor, such deposit, or any part thereof, or any interest thereon, may be paid to either of the persons, whether one of such persons shall be a minor or not, and whether the other be living or not. The receipt or acquittance of the person so paid shall be valid and sufficient release and discharge to the association for any payment so made.

B. 1. When a deposit has been made or shall hereafter be made in any association using the terms "Payable on Death" or "P.O.D.", such deposits shall be payable on the designated person's death to a trust designated in the deposit account agreement as the P.O.D. beneficiary, or to an individual or individuals named beneficiary, if living, and if not, to the named beneficiary's estate, notwithstanding any provision to the contrary contained in Sections 41 through 57 of Title 84 of the Oklahoma Statutes. Such deposit shall constitute a contract between the depositor and the association that upon the death of the named owner of the account the association will hold the funds for or pay them to the named beneficiary or the estate of the named beneficiary.

2. In order to designate multiple payable-on-death beneficiaries for a deposit account, the account should be styled as follows: "(Name of Account Owner), payable on death (or P.O.D.) to (Name of Beneficiary), (Name of Beneficiary), and (Name of Beneficiary), in equal shares".

3. Adjustments may be made in the styling, depending upon the number of beneficiaries. It is to be understood that each beneficiary is entitled to a proportionate share of the account proceeds upon the owner's death. In the event of the death of a beneficiary prior to the death of the owner, the beneficiary's share shall go to the beneficiary's estate. It is not permissible for an account to designate unequal shares for different payable-on-death beneficiaries.

4. An association may require the owner of an account to provide an address for any payable-on-death beneficiary. If the P.O.D. account is an interest-bearing account and the funds are not claimed by the payable-on-death beneficiary or beneficiaries within sixty (60) days after the death of the account holder, or after the association has notice of the account holder's death, whichever is later, the association has the right to convert the account to a noninterest-bearing account.

5. No change in the designation of a named beneficiary shall be valid unless executed by the owner of the fund and in the form and manner prescribed by the association; however, this section shall be subject to the provisions of Section 178 of Title 15 of the Oklahoma Statutes.

6. The receipt or acquittance of the named beneficiary so paid or the legal representative of such named beneficiary's estate, if deceased, shall be valid and sufficient release and discharge to the association for any payment so made, unless, prior to such payment, the association receives notice in the form and manner required in Section 905 of Title 6 of the Oklahoma Statutes.

C. The provisions of this section shall apply to all forms of deposit accounts, including, but not limited to, transaction accounts, savings accounts, certificates of deposits, negotiable order of withdrawal (N.O.W.) accounts, and money market deposit accounts (M.M.D.A.).

SECTION 38. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.40a of Title 18, unless there is created a duplication in numbering, reads as follows:

A. Whenever any deposit shall be made in an association by any person which is in the form of a trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the association, in the event of the death of the trustee, the same, or any part thereof, together with the interest thereon, may be paid to the person or persons for whom the deposit was made. A deposit held in this form shall be deemed to constitute a Totten Trust. A revocation of such trust may only be made in writing to the association, and the association shall not suffer any liability for payment of funds pursuant to the trust unless and until it receives written notice of revocation.

B. 1. If a deposit account is opened with an association by one or more persons expressly as a trustee for one or more other named persons and further notice of the existence and terms of a legal and valid trust is not given in writing to the association, the association may accept and administer the account as set forth in subsection A of this section.

2. If a deposit account is opened with an association by one or more persons expressly as a trustee for one or more other named persons pursuant to or purporting to be pursuant to a written trust agreement, the trustee may provide the association with a certificate of trust to evidence the trust relationship. The certificate shall be an affidavit of the trustee and must include the effective date of the trust, the name of the trustee, the name or method for choosing successor trustees, the name and address of each beneficiary, the authority granted to the trustee, the disposition of the account on the death of the trustee or the survivor of two or more trustees, other information required by the association, and an indemnification of the association. The association may accept and administer the account, subject to the provisions of Title 58 of the Oklahoma Statutes, in accordance with the certificate of trust without requiring a copy of the trust agreement. The association is not liable for administering the account as provided by the certificate of trust, even if the certificate of trust is contrary to the terms of the trust

agreement, unless the association has actual knowledge of the terms of the trust agreement.

3. On the death of the trustee or the survivor of two or more trustees, the association may pay all or part of the withdrawal value of the account with interest as provided by the certificate of trust. If the trustee did not deliver a certificate of trust, the association's right to treat the account as owned by a trustee ceases on the death of the trustee. On the death of the trustee or the survivor of two or more trustees, the association shall, unless the certificate of trust provides otherwise, pay the withdrawal value of the account, with interest, in equal shares to the persons who survived the trustee, are named as beneficiaries in the certificate of trust, and can be located by the association from its own records. If there is not a certificate of trust, payment of the withdrawal value and interest shall be made as provided by Title 58 of the Oklahoma Statutes. Any payment made under this section for all or part of the withdrawal value and interest discharges any liability of the association to the extent of the payment. The association may pay all or part of the withdrawal value and interest in the manner provided by this section, regardless of whether it has knowledge of a competing claim, unless the association receives actual knowledge that payment has been restrained by order of a court of competent jurisdiction.

4. This section does not obligate an association to accept a deposit account from a trustee who does not furnish a copy of the trust agreement or to search beyond its own records for the location of a named beneficiary.

5. This section does not affect a contractual provision to the contrary that otherwise complies with the laws of this state.

SECTION 39. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.41a of Title 18, unless there is created a duplication in numbering, reads as follows:

A. Except as otherwise provided by this section, an association lawfully doing business in this state may enter into a deposit account with a minor as the sole and absolute owner of the account and may pay checks and withdrawals and otherwise act with respect to the account on the order of the minor. A payment or delivery of rights to a minor who holds a deposit account evidenced by a receipt or acquittance signed by the minor discharges the association to the extent of the payment made or rights delivered.

B. If the minor is the sole and absolute owner of the deposit account, the disabilities of minority are removed for the limited purposes of enabling:

1. The minor to enter into a depository contract with the association; and

2. The association to enforce the contract against the minor, including collection of overdrafts and account fees and submission of account history to account reporting agencies and credit reporting bureaus.

C. A parent or legal guardian of a minor may deny the minor's authority to control, transfer, draft on, or make withdrawals from

the minor's deposit account by notifying the association in writing. On receipt of the notice by the association, the minor may not control, transfer, draft on, or make withdrawals from the account during minority except with the joinder of a parent or legal guardian of the minor.

D. If a minor with a deposit account dies, the receipt or acquittance of the minor's parent or legal guardian discharges the liability of the association to the extent of the receipt of acquittance, except that the aggregate discharges under this subsection may not exceed Three Thousand Dollars (\$3,000.00).

E. Subsection A of this section does not authorize a loan to the minor by the bank, whether on pledge of the savings account of the minor or otherwise, or bind the minor to repay a loan made except as provided by subsection B of this section or other law, unless the depository institution has obtained the express consent and joinder of a parent or legal guardian of the minor. This subsection does not apply to an inadvertent extension of credit because of an overdraft from insufficient funds, returned checks or deposits, or other shortages in a depository account resulting from normal banking operations.

SECTION 40. AMENDATORY 18 O.S. 1991, Section 381.42, is amended to read as follows:

Section 381.42 When a ~~savings account or savings~~ deposit account is held in any association or federal association by a person who becomes incompetent and an adjudication of incompetency has been made by a court of competent jurisdiction, such an association may pay or deliver the withdrawal value of such ~~savings account or savings~~ deposit account and any earnings that may have accrued thereon to the guardian or conservator for such person upon proof of ~~his the~~ the appointment and qualification; ~~provided that of such guardian or conservator.~~ However, if such association has received no written notice and is not on actual notice that such ~~savings account or savings~~ deposit account holder has been adjudicated incompetent, it may pay such funds to such holder or transfer the ~~account or~~ deposit account on ~~his the~~ the order of the deposit account holder, and such payment or transfer shall be a valid and sufficient release and discharge of the association for the payment or transfer so made.

SECTION 41. AMENDATORY 18 O.S. 1991, Section 381.43, is amended to read as follows:

Section 381.43 Any association or federal association may accept ~~savings deposit~~ deposit accounts ~~or savings deposits~~ in the name of any administrator, executor, conservator, guardian, trustee, or other fiduciary for a named beneficiary or beneficiaries. Any such fiduciary shall have power to vote as a member of a mutual association as if the membership were held absolutely, to open and to make additions to, and to withdraw such ~~account or~~ deposit account in whole or in part. The withdrawal value of any such ~~account or~~ deposit account, and earnings thereon, or other rights relating thereto may be paid or delivered, in whole or in part, to such fiduciary without regard to any notice to the contrary as long as such fiduciary is living. The payment or delivery to any such fiduciary or a receipt or acquittance signed by any such fiduciary to whom any such payment or any such delivery of rights is made

shall be a valid and sufficient release and discharge of an association for the payment or delivery so made. Whenever ~~an account or a~~ deposit account shall be opened by any person who designates himself or herself or another as trustee by written declaration of trust, which provides that the trust shall terminate upon ~~his~~ the death of such person, then, in the event of the death of the person so described as trustee, the withdrawal value of such ~~account or deposit~~ account or any part thereof, together with the earnings thereon, may be paid to the person for whom the deposit account was thus described to have been opened. The payment or delivery to any such beneficiary, beneficiaries or designated person for any such payment or delivery shall be a valid and sufficient release and discharge of an association for the payment or delivery so made.

SECTION 42. AMENDATORY 18 O.S. 1991, Section 381.44, is amended to read as follows:

Section 381.44 When a ~~savings account or savings~~ deposit account is held in any association or federal association by a person residing in another state or country, the ~~account or deposit~~ account, together with additions thereto and earnings thereon, or any part thereof, may be paid to the administrator or executor appointed in the state or country where the account or deposit holder resided at the time of death. Such payment shall be a valid and sufficient release and discharge of the association for the payment so made unless the association has received written notice and is on actual notice of the appointment of an executor or administrator by an Oklahoma court of probate jurisdiction.

SECTION 43. AMENDATORY 18 O.S. 1991, Section 381.45, is amended to read as follows:

Section 381.45 Any association or federal association may continue to recognize the authority of an attorney-in-fact authorized in writing to manage or to make withdrawals either in whole or in part from a ~~savings account or savings~~ deposit account, whether of a minor or adult, until it receives written notice or is on actual notice of the revocation of ~~his~~ such authority. For the purposes of this section, written notice of the death or adjudication of incompetency of such ~~savings account or savings~~ deposit account holder shall constitute written notice of revocation of the authority of ~~his~~ the attorney.

SECTION 44. AMENDATORY 18 O.S. 1991, Section 381.46, is amended to read as follows:

Section 381.46 The holder of a ~~savings account or savings~~ deposit account in an association shall have the right to withdraw all or any part of ~~his account or the~~ deposit account, subject to the right of the association and authority of the Board State Banking Commissioner or the Director of the Office of Thrift Supervision, to impose limitations upon the right of withdrawal from ~~an account or a~~ deposit account for a fixed or minimum term with respect to which ~~account or deposit~~ account the applicable fixed or minimum term has not expired. With respect to ~~deposits or~~ deposit accounts which consist solely of funds in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, educational, political, or other similar

purposes and which is not operated for profit, and with respect to deposits of public funds by an officer, employee or agent of the United States, any state, county, municipality, or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, any territory or possession of the United States, or any political subdivision thereof, such ~~savings accounts or savings deposits~~ deposit accounts may be subject to check or to transfer or withdrawal on negotiable order or authorization to the association, and ~~account or~~ deposit account holders may make withdrawals or transfers from ~~savings~~ such accounts upon nontransferable order or authorization. An association may offer money market deposit accounts, as defined by federal regulations, and may permit withdrawals or transfers from such accounts to the same extent permitted by federal regulations, but subject to all of the limitations contained therein.

SECTION 45. AMENDATORY 18 O.S. 1991, Section 381.47, as amended by Section 52, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.47), is amended to read as follows:

Section 381.47 With respect to ~~savings accounts or savings deposits~~ deposit accounts, an association may require such minimum advance notice of withdrawal as is specified by federal regulations or such longer advance notice period of not ~~less~~ more than thirty (30) days as its bylaws may provide. The payment of withdrawals from ~~savings accounts or savings deposits~~ deposit accounts, in the event an association does not have funds available to pay all withdrawals when due, shall be subject to such rules and procedures as may be prescribed by ~~regulations of~~ the State Banking Commissioner, but any association which, except as authorized in writing by the Commissioner, fails to make full payment of any withdrawal when due shall be deemed to be in an unsafe or unsound condition to transact business within the meaning of Section ~~381.63~~ 381.74 of this title.

SECTION 46. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.48a of Title 18, unless there is created a duplication in numbering, reads as follows:

A. When a deposit has been made in an association in the name of a sole individual without designation of a payable-on-death beneficiary, upon the death of the sole owner of the deposit account, if the amount of the aggregate deposits held in single ownership accounts in the name of the deceased individual is Five Thousand Dollars (\$5,000.00) or less, the association may transfer the funds to the known heirs of the deceased upon receipt of an affidavit sworn to by the known heirs of the deceased which establishes jurisdiction and relationship and states that the owner of the deposit account left no will. The affidavit shall be sworn to and signed by the known heirs of the deceased and same shall swear that the facts set forth in the affidavit establishing jurisdiction, heirship and intestacy are true and correct.

B. Receipt by the association of the affidavit described in subsection A of this section shall be a valid and sufficient release and discharge to the association for any transfer of deposits made pursuant thereto and shall set to discharge the association from liability as to any other party, including any heir, legatee, devisee, creditor or other person having rights or claims to funds or property of the decedent, and include a discharge of the

association from liability for any estate, inheritance or other taxes which may be due the state from the estate or as a result of the transfer.

C. Any person who knowingly submits and signs a false affidavit as provided in this section shall be fined not more than Three Thousand Dollars (\$3,000.00) or imprisoned for not more than six (6) months, or both. Restitution of the amount fraudulently attained shall be made to the rightful beneficiary by the guilty person.

SECTION 47. AMENDATORY 18 O.S. 1991, Section 381.49, is amended to read as follows:

Section 381.49 With the exception of interest at a rate fixed, or negotiated on an individual basis, by a deposit association prior to the acceptance of the deposit, ~~the board of directors of an association shall by resolutions~~ determine the rates of earnings to be paid on all classes of ~~savings accounts and savings deposits,~~ deposit accounts, the times and manner of crediting, distributing and paying of such earnings, ~~and the qualifications and limitations applicable to each class of savings accounts or savings deposits~~ deposit accounts for which a rate higher than regular rate is provided. ~~Except for such fixed term savings deposits bearing a fixed rate of interest as may be issued by a deposit association, the bylaws of every association shall provide for determination of rates of earnings applicable to each class of its savings accounts or savings deposits on a semiannual or quarterly basis. Such rates for each semiannual or quarterly period may be determined and declared by the board of directors during the month preceding the beginning of the period unless the bylaws provide otherwise.~~

SECTION 48. AMENDATORY 18 O.S. 1991, Section 381.50, as amended by Section 53, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.50), is amended to read as follows:

Section 381.50 A. Any mutual association ~~insured by the Federal Deposit Insurance Corporation~~ may become a deposit-type association and any mutual association ~~insured by the Federal Deposit Insurance Corporation~~ may become a stock association by adoption of a resolution by a majority of the votes cast in person or by proxy specially executed for that meeting within ninety (90) days prior to the meeting at an annual meeting or at any special meeting of its members, and by adoption of an appropriate amended certificate of incorporation and bylaw provisions consistent with this act, and in the case of conversions from mutual to stock form, upon approval of ~~said~~ the conversion by the State Banking Commissioner, and if applicable, the Director of the Office of Thrift Supervision. Copies of the resolution to become a deposit association and/or stock association pursuant to this act and of the amended certificate of incorporation and bylaw amendments, certified by the secretary or president of the association, shall be filed with the ~~State Banking~~ Commissioner. Upon approval by the Commissioner, the Commissioner shall file a copy of such approved resolution with the Secretary of State, and the association shall be qualified to accept ~~savings deposits and/or~~ deposit accounts and issue permanent capital stock in accordance with this act from and after the effective date stated in ~~said~~ the resolution. In no case of conversion of a mutual to a stock association shall any reserves existing at the time of such conversion ever inure to the benefit of

the permanent capital stock, but shall be maintained as reserves in accordance with directions of the Commissioner.

B. At the meeting at which conversion to a stock association is voted upon, the members of the mutual association shall also vote upon the directors who shall be the directors of the stock association after conversion takes effect. The directors shall execute and file with the Commissioner an amended certificate of incorporation as provided for in Section 381.17 of this title, together with an application for conversion, a fee to be set by the Commissioner, and if the association intends to be an insured association, a firm commitment for, or evidence of, insurance of ~~deposits and other~~ its deposit accounts ~~of a withdrawable type~~ by the Federal Deposit Insurance Corporation. The Commissioner may refuse to approve the application and decline to issue a charter and file the amended certificate of incorporation if there is reason to believe that the plan of conversion is not fair and equitable to all the members and that sufficient provision is not made to protect the interests of the depositors of the prospective capital stock association. Upon the approval by the Commissioner of the application for conversion and the amended certificate of incorporation and the issuance of a charter, the association shall cease to be a mutual association. Upon the conversion of a mutual association, the legal existence of the association shall not terminate but the stock association shall be a continuation of the entity of the mutual association and all property of the mutual association, including its rights, titles and interests in and to all property of whatever kind, whether real, personal or mixed, and things in action, and every right, privilege, interest and asset of every conceivable value or benefit then existing or pertaining to it, or which would inure to it, immediately by act of law and without any conveyance or transfer and without any further act or deed shall remain and vest in the stock association into which the mutual association has converted itself. The stock association shall have, hold and enjoy the same in its own right as fully and to the same extent as the same was possessed, held and enjoyed by the mutual association. The stock association as of the time and the taking effect of the conversion shall continue to have and succeed to all the rights, obligations and relations of the mutual association. All pending actions and other judicial proceedings to which the mutual association is a party shall not be abated or discontinued by reason of the conversion but may be prosecuted to final judgment, order or decree in the same manner as if the conversion had not been made and the stock association resulting from the conversion may continue the actions in its corporate name. Any judgment, order or decree may be rendered for or against it which might have been rendered for or against the mutual association theretofore involved in the judicial proceedings.

C. ~~Approval~~ If the association will be an insured association, approval by the Commissioner shall be contingent upon the converting association either having insurance of its deposit accounts ~~and deposits~~ by the Federal Deposit Insurance Corporation, or by the association making a bona fide application for ~~such~~ insurance of deposit accounts ~~and deposits~~, and upon acceptance and approval of such application by the corporation.

D. The conversion of a state mutual association into a stock association shall be effected in accordance with a plan of conversion adopted by the members as provided in this section and

consistent with the other provisions of this title. The plan shall provide that:

1. Each deposit account holder in the mutual association shall receive a withdrawable account in the stock association equal in amount to ~~his~~ the withdrawable account of the deposit account holder in the mutual association;

2. A record date for determining deposit account holders entitled to purchase stock shall be established which is not less than ninety (90) days prior to the date of adoption of the plan of conversion by the ~~association's~~ board of directors of the association;

3. Officers, directors and employees of the association and their associates shall forego any participation in the initial distribution of permanent capital stock to the extent that any such person increased ~~his~~ the account of such person by more than Twenty Thousand Dollars (\$20,000.00) during the six (6) months preceding the record date established pursuant to this section. The term "associate" of a person shall mean parents, spouse, sisters, brothers, children or anyone married to one of the foregoing persons~~;~~ any corporation of which the person is an officer, director or owner of more than ten percent (10%) of the outstanding voting securities; any trust of which such person is a trustee or substantial beneficiary; and any partnership of which such person is a general or limited partner;

4. The amount of stock to which a member is entitled shall be determined on the basis of the ratio of ~~his savings deposits of such member~~ with the association on the record date to the total savings deposits of the association on the record date, as applied to the initial issuance of permanent capital stock. Each ~~savings deposit~~ account or savings deposit holder as of the record date may receive warrants authorizing the purchase of shares of permanent capital stock at a price determined by the board of directors of the institution and approved by the Commissioner and by the Director of the Office of Thrift Supervision, and scrip denoting fractional stock interests of less than one share, provided, however, that no ~~savings account or savings deposit~~ account holder shall be entitled to scrip representing fractional interests of less than one-fifth share of stock; and

5. In connection with a conversion, ~~savings account and savings deposit~~ account holders shall have a preemptive right to purchase such permanent capital stock for a period of not less than fourteen (14) days from the date the offer to sell permanent capital stock is made.

E. ~~The~~ If the association is an insured association, the reserves of a stock association resulting from the conversion of a mutual association shall be not less than the amount necessary to meet the requirements of the Federal Deposit Insurance Corporation.

SECTION 49. AMENDATORY 18 O.S. 1991, Section 381.51, is amended to read as follows:

Section 381.51 ~~A mutual deposit~~ An association may accept ~~savings deposits and other accounts,~~ for fixed, minimum or indefinite periods of time, including accounts bearing a fixed rate

of interest, as may be authorized by its directors, subject to the provisions of its bylaws and the approval authority of the Board State Banking Commissioner and, if applicable, the Director of the Office of Thrift Supervision to disapprove of such a rate.

SECTION 50. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.52a of Title 18, unless there is created a duplication in numbering, reads as follows:

In addition to other provisions of this act relating to deposit accounts, an association may exercise the powers and authorities applicable under the provisions of Article IX of the Oklahoma Banking Code, Sections 901 through 907 of Title 6 of the Oklahoma Statutes. An association may also exercise the powers and authorities applicable under the provisions of Article XIII of the Oklahoma Banking Code, Section 1301 et seq. of Title 6 of the Oklahoma Statutes, as amended from time to time. Further, unless an association shall have expressly agreed in writing to assume special or fiduciary duties or obligations, no such duties or obligations will be imposed on the association with respect to a depositor of the association or a borrower, guarantor or surety, and no special or fiduciary relationship shall be deemed to exist.

SECTION 51. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.52b of Title 18, unless there is created a duplication in numbering, reads as follows:

An association may provide all types of deposit accounts unless otherwise provided by rule of the State Banking Commissioner or applicable federal law.

SECTION 52. AMENDATORY 18 O.S. 1991, Section 381.53a, as amended by Section 55, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.53a), is amended to read as follows:

Section 381.53a A. Permanent capital stock shall consist of common stock, which shall have full voting rights, and may also include preferred stock. Such stock shall have a par value of not less than one cent (\$0.01) per share, and the proceeds thereof, to the extent of such par value, shall be set apart and be nonwithdrawable, and shall be a reserve to absorb losses after all surplus, undivided profits, and other reserves available for losses have been depleted.

~~B. 1. Common stock shall not be subject to redemption except on dissolution, and shall then be eligible for redemption only after all accounts, deposits and other creditors, including the Federal Deposit Insurance Corporation, have been paid in full, together with accrued interest, and the preferred stock, if any, has been redeemed at a price equal to its liquidation preference plus any cumulative dividends accrued but unpaid thereon~~ With the approval of the State Banking Commissioner and subject to the conditions as the Commissioner may prescribe, a bank may purchase its own stock as treasury stock.

2. Preferred stock shall not be issued for a limited term, nor shall it be redeemable at the option of the holders. An association shall not bind itself by contract to redeem its preferred stock upon the happening of certain events, other than dissolution. However, preferred stock shall be subject to redemption at any time at the

option of the association, with the prior approval of the ~~State Banking~~ Commissioner and only if, subsequent to the redemption, the association would meet its minimum capital requirements as imposed by the ~~Director of the Office of Thrift Supervision~~ applicable federal law.

C. Any paid-in surplus with respect to common stock may be made available for payment of organization and initial operating expenses or may be credited to surplus, or the contingent reserve, or the federal insurance reserve, or be transferred to common or preferred stock as a stock dividend, prorated to the holders of common stock. An association shall not issue permanent capital stock for a consideration other than cash or for a price less than par value thereof, except that, with the approval of the Commissioner, stock may be issued for a consideration other than cash in connection with mergers, consolidations or transfers and, when fully paid, the stock shall be kept unimpaired to the extent of its par value.

D. A stock association may declare and distribute cash dividends from net earnings, surplus or undivided profits. With the prior consent of the Commissioner, the stock of an association may be reduced by resolution of the board of directors approved by vote or written consent of the holders of a majority of the outstanding stock of such association to such amount as the Commissioner shall approve, and any such reduction shall be credited to the contingent reserve account and shall not be available for dividends to common stockholders; provided, any reduction in the amount of permanent capital stock is subject to the provisions of this section and Section 381.20 of this title, fixing minimum permanent capital stock requirements.

E. No cash dividends shall be declared on common stock unless, subsequent to the dividends, the association would continue to meet its minimum capital requirements as imposed by the Commissioner or the Director of the Office of Thrift Supervision. Subject to the provisions of this act, permanent capital stock shall be entitled to such rate of dividends, if earned, as declared by the board of directors.

SECTION 53. AMENDATORY 18 O.S. 1991, Section 381.53b, is amended to read as follows:

Section 381.53b A. If the State Banking Commissioner, as a result of any examination or from any report made to ~~him~~ the Commissioner, finds that the permanent capital stock of any association is impaired, ~~he~~ the Commissioner shall notify the association that such impairment exists and require the association to immediately make good such impairment. After such notice has been given to an association and until the impairment has been made good, that association may not issue or renew any time instrument if that instrument, when aggregated with any other funds of the same depositor in the same capacity, would equal or exceed One Hundred Thousand Dollars (\$100,000.00) unless such time instrument earns an annual rate of interest less than four percent (4%). In the event the amount of the impairment as determined by the Commissioner is questioned by the association, then upon application, which shall be filed within ten (10) days, the value of the assets in question shall be determined by appraisals made by independent appraisers acceptable to the Commissioner and the association.

B. The directors of ~~said~~ the association, upon which such notice has been made, shall levy a pro rata assessment upon the permanent capital stock thereof to make good such impairment and shall cause notice of such request of the Commissioner and such levy to be given in writing to each stockholder of such association and the amount of assessment which ~~he~~ the stockholder must pay for the purpose of making such assessment.

SECTION 54. AMENDATORY 18 O.S. 1991, Section 381.53c, is amended to read as follows:

Section 381.53c A. If any stockholder shall refuse or neglect to pay the assessment specified in such notice within sixty (60) days from the date of mailing, the directors of such association shall have the right to sell to the highest bidder at public auction any part or all of the stock necessary to pay the assessment of such stockholder, after giving the notice of such sale for ten (10) days in a newspaper of general circulation published in the county where the ~~principal~~ main office of such association in this state is located, and a copy of such notice of sale shall also be served on such stockholder by mailing a copy of such notice to his last-known address ten (10) days before the day fixed for such sale, or such stock may be sold at a private sale and without public notice ~~provided, that.~~ However, before making such private sale thereof, an offer in writing shall first be obtained and a copy thereof served upon the owner of record of the stock to be sold, by mailing a copy of such offer to ~~his~~ the last-known address of such owner, and if after service of such offer such owner shall still refuse or neglect to pay such assessment within thirty (30) days from the time of the service of such offer, the directors may accept such offer and sell such stock to the person making such offer, or to any other person or persons making a larger offer than the amount named in the offer submitted to the stockholder, but such stock, in no event, shall be sold for less than the amount of such assessment so called for and the expense of the sale.

B. Out of the proceeds of the stock so sold, the directors shall pay the amount of assessment levied thereon and the necessary cost of sale, and the balance, if any, shall be paid to the person or persons whose stock has thus been sold. A sale of stock as herein provided shall effect an absolute cancellation of the outstanding certificate or certificates evidencing the stock so sold, and shall make the same null and void and a new certificate shall be issued by the association to the purchaser thereof.

SECTION 55. AMENDATORY 18 O.S. 1991, Section 381.53e, is amended to read as follows:

Section 381.53e No association shall sell, offer for sale, negotiate for the sale of or take subscriptions for, or issue any of its permanent capital stock until it shall have first applied for and secured from the State Banking Commissioner a permit authorizing it to do so. Such application shall be in writing, be verified and be filed with the Commissioner. In such application the association shall set forth the names and addresses of its officers, the location of its main office and branch offices, an itemized account of its financial condition, the amount and character of its stock and shares, a copy of any prospectus or advertisement or other description of its stock to be distributed or published, a copy of all minutes of any proceedings of its directors, members or

stockholders relating to or affecting the issue of such stock and such additional information concerning the association, its condition and affairs as the Commissioner may require. Upon the filing of such application it shall be the duty of the Commissioner to examine it and the other papers and documents filed therewith. If ~~he~~ the Commissioner finds that the proposed issue is such as will not mislead the public as to the nature of the investment or will not work a fraud upon the purchaser thereof, the Commissioner shall issue to the association a permit authorizing it to issue and dispose of its stock in such amounts as the Commissioner may in such permit provide, ~~otherwise he~~. Otherwise, the Commissioner shall deny the application and notify the association in writing of ~~his~~ the decision. Every permit shall recite in bold type that the issuance thereof is permissive only and does not constitute a recommendation or endorsement of the stock permitted to be issued. The Commissioner may impose conditions requiring the impoundment of the proceeds from the sale of such stock, limiting the expense in connection with the sale thereof, and such other conditions as ~~he~~ the Commissioner may deem reasonable and necessary or advisable to insure the disposition of the proceeds from the sale of such stock in the manner and for the purposes provided in such permit. The Commissioner may, from time to time, amend, alter or revoke any permit issued by ~~him~~ the Commissioner or temporarily suspend the rights of such association under such permit. The Commissioner shall have the power to establish such rules ~~and regulations~~ as may be reasonable or necessary to carry out the purposes and provisions of this section.

SECTION 56. AMENDATORY 18 O.S. 1991, Section 381.53f, is amended to read as follows:

Section 381.53f All ~~savings and loan~~ insured associations shall keep in force, at all times, insurance covering their ~~deposits and savings deposit~~ accounts ~~insured by the Federal Deposit Insurance Corporation~~ to the extent provided by federal law.

SECTION 57. AMENDATORY 18 O.S. 1991, Section 381.54, is amended to read as follows:

Section 381.54 Associations shall have the powers enumerated, authorized and permitted by this act and such other rights and powers as may be incidental to or reasonably necessary or appropriate for the accomplishment of the objects and purposes of the association. Among others, and except as otherwise limited herein, every association shall have the following general powers:

1. To have perpetual existence; to adopt and use a corporate seal; to adopt, amend and repeal bylaws; and to sue and be sued, complain and defend in any court having jurisdiction;

2. To own or rent such equipment, fixtures, furnishings and other personal property as may be deemed expedient for the transaction of the business of the association; and to acquire personal property in satisfaction of indebtedness owed to the association;

3. To sell, exchange and dispose of and convey real and personal property acquired pursuant to this act, and to mortgage, pledge, lease or otherwise contract with respect to such property;

4. If and when an association is not a member of a Federal Home Loan Bank, to borrow not more than an aggregate amount equal to one-fourth (1/4) of its savings or deposits liability on the date of borrowing and such additional sums as the State Banking Commissioner may approve. If and when an association is a member of a Federal Home Loan Bank, to secure advances of not more than an aggregate amount equal to one-half (1/2) of its savings or deposits liability; within such amount equal to one-half (1/2) of its savings or deposits liability, the association may borrow from sources, individual or corporate, other than such Federal Home Loan Bank, an aggregate amount not in excess of the amount permitted by the Federal Home Loan Bank Board. A subsequent reduction of savings or deposits liability shall not affect in any way outstanding obligations for borrowed money. All such loans and advances may be secured by property of the association. Insured associations may also issue and market such bonds, debentures, obligations and like securities as the ~~Board~~ Commissioner and the Director of the Office of Thrift Supervision may authorize;

5. To sell and assign without recourse any loan, including any participating interests therein held by an ~~insured~~ association; provided that the ~~Board~~ Commissioner may by regulation limit the total dollar volume of loans sold in any calendar year to a designated percentage of total loans held by the association;

6. To qualify as and become a member of a Federal Home Loan Bank;

7. To obtain and maintain insurance of the deposit accounts of its members by the Federal Deposit Insurance Corporation;

8. To appoint and compensate such officers, agents and employees as its business shall require; to provide for reasonable life, health and medical insurance for its personnel; to adopt and operate reasonable bonus plans and retirement benefits for its officers and employees; to pay reasonable fees to its directors for their services; and to provide for indemnification of its officers, employees and directors as permitted by this act whether by insurance or otherwise;

9. To become a member of and make reasonable payments or contributions to any organization to the extent that such organization assists in furthering or facilitating the association's purposes or its community responsibilities;

10. If and when an association is a member of a Federal Home Loan Bank, to act as fiscal agent of the United States and, when so designated by the Secretary of the Treasury, to perform all reasonable duties as fiscal agent of the United States as ~~he~~ the Secretary of the Treasury may require; and to act as agent for any instrumentality of the United States and as agent of this state or any instrumentality thereof;

11. To act as agent for others in servicing loans and making collections thereon; and to act as agent for others in any transaction incidental to the operation of its business;

12. To act as trustee of any trust created or organized in the United States and forming part of a stock bonus, pension, or profit-sharing plan qualifying for specific tax treatment under

Section 401(d) of the Internal Revenue Code of 1986; as trustee or custodian of an individual retirement account within the meaning of Section 408(a) of the Internal Revenue Code of 1986; or as trustee with no active fiduciary duties, provided, that the association shall invest the funds of the trust or account only in the association's own accounts, deposits, obligations, or securities or, upon the condition that the association does not exercise any investment discretion or directly or indirectly provide any investment advice with respect to the trust or account assets, in such other assets as the customer may direct. The association shall observe principles of sound trust administration, including those relating to recordkeeping and segregation of assets, and may receive reasonable compensation for acting in any trust capacity authorized by this paragraph;

13. To acquire savings of the public and pay earnings thereon, and to lend and invest its funds as provided in this act;

14. To conduct a safe deposit business in compliance with the requirements of ~~12 C.F.R., Section 563.21,~~ applicable federal law and Sections 1301 through 1313 of Title 6 of the Oklahoma Statutes;

15. To organize a finance subsidiary ~~in compliance with the provisions of 12 C.F.R., Section 545.82;~~ and

16. To own capital stock of an operating subsidiary ~~as defined in 12 C.F.R., Section 563.9-8(b)(9);~~ and

17. To have and to exercise all such incidental powers as shall be necessary to carry on the association business including, but not limited to, all such powers as may now or hereafter be conferred upon federal associations by federal laws and the regulations and policies of the Office of Thrift Supervision, unless otherwise prohibited or limited by the Commissioner.

SECTION 58. AMENDATORY 18 O.S. 1991, Section 381.55, as amended by Section 56, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.55), is amended to read as follows:

Section 381.55 ~~Every~~ In addition to any powers of investment permitted pursuant to paragraph 17 of Section 381.54 of this title, every association shall have power to invest in real property as follows:

1. Such real property or interests therein as the directors may deem necessary or convenient for the conduct of the business of the association, which for the purposes of this act shall be deemed to include the ownership of stock of a wholly owned subsidiary corporation having as its exclusive activity the ownership and management of such property or interests, but the amount so invested shall not exceed the sum of the reserves and undivided profits of the association, unless the State Banking Commissioner authorizes a greater amount to be so invested-;

2. An amount not exceeding the lesser of:

- a. the sum of its reserves and undivided profits, or
- b. ten percent (10%) of its assets as reported in its most recent quarterly thrift financial report or other

statement of condition submitted to the Oklahoma State Banking Department, in the purchase of real estate for the purpose of producing income or for inventory or sale or for development and improvement, including the erection of buildings thereon, for sale or rental purposes-;

3. Such real property as may be acquired in satisfaction or partial satisfaction of indebtedness owed to the association, by deed, sheriff's deed, trustee's deed or otherwise.

SECTION 59. AMENDATORY 18 O.S. 1991, Section 381.56, as amended by Section 57, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.56), is amended to read as follows:

Section 381.56 ~~Associations~~ In addition to any powers of investment permitted pursuant to paragraph 17 of Section 381.54 of this title, associations shall have power to invest in securities as follows:

1. In obligations of, or obligations which are fully guaranteed as to principal and interest by, the United States or this state; in stock or obligations of any Federal Home Loan Bank or Banks; ~~in stock or obligations of the Federal Savings and Loan Insurance Corporation;~~ in stock or obligations of the Federal Deposit Insurance Corporation; ~~in stock or obligations of the Resolution Trust Corporation;~~ and in stock or obligations of the Federal National Mortgage Association or any successor or successors thereto;

2. In time deposits, certificates, accounts, or other obligations of banks or other financial institutions, the accounts of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration;

3. Not in excess of five percent (5%) of its assets, as reported in its most recent quarterly thrift financial report or other statement of condition submitted to the Oklahoma State Banking Department, in bonds, notes or other evidences of indebtedness which are a general obligation of, or guaranteed as to principal and interest by, any agency or instrumentality of the United States not specified in paragraph 1 of this section, or of any city, county or school district in this state; and

4. Not in excess of ten percent (10%) of its assets in the capital stock, obligations or other securities of service organizations substantially all of the activities of which consist of originating, purchasing, selling and servicing loans upon real estate and participating interests therein, or clerical, bookkeeping, accounting, statistical or similar functions performed primarily for financial institutions plus such other activities as the State Banking Commissioner may approve.

SECTION 60. AMENDATORY 18 O.S. 1991, Section 381.57, is amended to read as follows:

Section 381.57 Associations shall have power to invest, sell, or otherwise deal in loans or other investments to the same extent permitted for federal associations ~~pursuant to 12 U.S.C., Section 1464(b) (4) and (c) and the rules and regulations of the Director of~~

~~the Office of Thrift Supervision promulgated pursuant thereto, subject to the same limitations and conditions imposed therein, except as otherwise provided by the Oklahoma Savings and Loan Code rules of the State Banking Commissioner.~~

SECTION 61. AMENDATORY 18 O.S. 1991, Section 381.58, is amended to read as follows:

Section 381.58 All contracts of an association for the loan of money shall be subject to the laws of this state with respect to maximum interest rates which may be charged and to the penalties for violation thereof, ~~regardless of the fact that the obligors are members of the association.~~

SECTION 62. AMENDATORY 18 O.S. 1991, Section 381.59, is amended to read as follows:

Section 381.59 At an annual meeting or at any special meeting of the members or stockholders called to consider such action, any association may convert itself into a federal ~~savings and loan~~ association pursuant to the laws of the United States, as now or hereafter amended, upon a majority vote of the outstanding stock entitled to vote thereon or upon a majority vote of the total number of votes of the members present in person or by proxy. There shall be filed with the State Banking Commissioner a copy of the charter issued to such federal association by the Director of the Office of Thrift Supervision or a certificate showing the organization of such association as a federal association, certified by the Director of the Office of Thrift Supervision. Upon the grant to any association of a charter by the Director of the Office of Thrift Supervision, the association receiving such charter shall cease to be an association incorporated by this state. Upon conversion of any association into a federal association, such federal association shall be deemed to be a continuation of the entity of the association so converted and all property of the converted association, including its rights, titles, and interests in and to all property of whatever kind, whether real, personal, or mixed, and things in action, and every right, privilege, interest, and asset of any conceivable value or benefit then existing or pertaining to it, or which would inure to it, shall immediately by operation of law and without any conveyance or transfer and without any further act or deed remain and be vested in and continue and be the property of such federal association into which the state association has converted itself, and such federal association shall have, hold and enjoy the same in its own right as fully and to the same extent as the same was possessed, held, and enjoyed by the converting association, and such federal association as of the time of the taking effect of such conversion shall continue to have and succeed to all the rights, obligations and relations of the converting association. All pending actions and other judicial proceedings to which the converting state association is a party shall not be deemed to have abated or to have discontinued by reason of such conversion, but may be prosecuted to final judgment, order, or decree in the same manner as if such conversion into such federal association had not been made and such federal association resulting from such conversion may continue such action in its corporate name as a federal association, and any judgment, order or decree may be rendered for or against it which might have been rendered for or against the converting state association theretofore involved in such judicial proceedings.

SECTION 63. AMENDATORY 18 O.S. 1991, Section 381.60, as amended by Section 58, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.60), is amended to read as follows:

Section 381.60 At an annual meeting or at any special meeting of the members or stockholders called to consider such action, any federal association may convert itself into an association under this act upon a majority vote of the outstanding stock entitled to vote thereon or upon a majority vote of the total number of votes of the members of such federal association eligible to be cast. Copies of the minutes of the proceedings of such meetings of members or stockholders, verified by the affidavit of the secretary or an assistant secretary, and verified copies of the plan of conversion shall be filed for approval with the State Banking Commissioner. At the meeting at which conversion is voted upon, the members or stockholders shall also vote upon the directors who shall be the directors of the state-chartered association after conversion takes effect. Such directors then shall execute and file a certificate of incorporation and proposed bylaws, and the Commissioner shall file a certificate of authority upon approval by the Commissioner, all as provided in this act. The ~~Secretary of State~~ association shall include in the certificate of incorporation, the following: "This association is incorporated by conversion from a federal association." All of the directors who are chosen for the association shall sign and acknowledge the certificate of incorporation as the subscribers. The Commissioner may provide, by regulation, for any additional procedure to be followed, and application fee to be paid, by any such federal association converting into an association under this act. All the provisions regarding property and other rights and liabilities contained in Section 381.59 of this title shall apply, in reverse order, to the conversion of a federal association into an association incorporated under this act, so that the state-chartered association shall be a continuation of the corporate entity of the converting federal association.

SECTION 64. AMENDATORY 18 O.S. 1991, Section 381.61, as amended by Section 59, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.61), is amended to read as follows:

Section 381.61 Pursuant to a plan agreed upon by at least two-thirds of the members of the board of directors as being equitable to the members or stockholders of the association and as not impairing other associations, foreign associations, and federal associations, an association may merge or consolidate with another association, foreign association, or federal association, provided that the plan of such merger or consolidation shall be approved at an annual meeting or at any special meeting of the members or stockholders called to consider such action by a majority vote of the outstanding stock entitled to vote thereon or upon a majority vote of the total number of votes of the members present in person or by proxy. An application to merge or consolidate shall be filed with the State Banking Commissioner and the same shall be the subject of an individual proceeding pursuant to Article II of the Administrative Procedures Act, Section 309 et seq. of Title 75 of the Oklahoma Statutes. If the merger or consolidation is approved by the Commissioner, a copy of the order of approval shall be filed with the Secretary of State who shall then issue a certificate of merger. In all cases of merger or consolidation, the corporate continuity of the resulting corporation shall have the same

incidents, rights and liabilities as that of an association which has converted pursuant to this act. The Commissioner may provide, by rule, for any additional procedure to be followed, and application fee to be paid, by any associations merging or consolidating pursuant to this act.

SECTION 65. AMENDATORY 18 O.S. 1991, Section 381.62, as amended by Section 60, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.62), is amended to read as follows:

Section 381.62 A. With the approval of the State Banking Commissioner, an association may liquidate and dissolve. The Commissioner ~~shall~~ may grant such approval ~~if it appears that upon an application by an association after~~ the proposal to liquidate and dissolve has been approved by a vote of a majority of the outstanding voting stock, in the case of a stock association, or by a majority vote of the total number of votes of the members present in person or by proxy, in the case of a mutual association, at a meeting called for that purpose, and that after giving effect to any proposed purchase of the assets of the association and assumption of its liabilities as provided for in Section 381.63a of this title the association will be solvent and will have sufficient liquid assets to pay off any remaining depositors and creditors immediately.

B. 1. Upon approval by the Commissioner, the association shall immediately cease to do business, shall have only the powers necessary to effect an orderly liquidation and shall proceed to pay its depositors and creditors and to wind up its affairs.

2. Within thirty (30) days of the approval, the association shall send a notice of liquidation by mail to each depositor, creditor, person interested in funds held as a fiduciary, lessee of a safe deposit box and a bailor of property at the address of such person as shown on the books of the association; ~~provided, however.~~ However, in the case of all depositors, creditors, loan customers or lessees of safe deposit boxes whose deposits, accounts or other contractual arrangements with the association have been purchased or assumed as provided for in Section 381.63a of this title, a notice of purchase and assumption shall be sent by the ~~purchasing and assuming association~~ purchaser in lieu of a notice of liquidation by the liquidating association. The notice prepared by the association shall be posted conspicuously on the premises of the association and shall be given such publication as the Commissioner may require. The ~~purchasing and assuming association~~ purchaser or the liquidating association, as applicable, shall send with each notice a statement of the amount shown on the books to be the claim or liability of the depositor, creditor or other customer. Each such notice shall demand that claims of depositors and creditors, or corrected statements of amounts owed by the customer, if the amount claimed or owed differs from that stated in the notice, be filed with the notifying ~~association~~ institution before a specified date not earlier than sixty (60) days thereafter in accordance with the procedure prescribed in the notice. The notice prepared by the liquidating association shall also demand that property held by the association as bailee or in a safe deposit box not taken over by a ~~purchasing and assuming association~~ purchaser be withdrawn by the person entitled thereto.

3. As soon after approval as may be practicable the association shall resign all fiduciary positions and take such action as may be

necessary to settle its fiduciary accounts, and the manner of succession of trust powers and successor trustees shall follow the same procedure as set out in Section 1018 of Title 6 of the Oklahoma Statutes.

4. Any safe deposit boxes which have not been taken over by a ~~purchasing and assuming association~~ purchaser, and the contents of which have not been removed within thirty (30) days after demand, shall be opened. Sealed packages containing the contents of such box, with a certificate of inventory of contents, together with any other unclaimed property held by the association as bailee and certified inventories thereof, shall be transferred to the Commissioner who shall administer the property in accordance with the provisions of the Uniform Unclaimed Property Act ~~(1981)~~, ~~Section 651 et seq. of Title 60 of the Oklahoma Statutes.~~

5. The approval of an application for liquidation shall not impair the right of a depositor or creditor whose account has not been unconditionally assumed by a ~~purchasing and assuming association~~ purchaser to be paid in full by the liquidating association, and all lawful claims of remaining creditors and depositors of the liquidating association shall promptly be paid. The unearned portion of the rental of a safe deposit box not taken over by a ~~purchasing and assuming association~~ purchaser shall be returned to the lessee.

6. Any assets remaining after the discharge of or adequate provision for all obligations shall be distributed to the stockholders or members in accordance with a plan of voluntary liquidation filed with and approved by the Commissioner. No such distribution shall be made before all claims of depositors and creditors have been:

- a. assumed as provided for in Section 381.63a of this title ~~or~~ or
- b. provided for by the establishment of a reserve fund in an amount approved by the Commissioner ~~or~~ or
- c. paid by the liquidating association ~~or~~ or
- d. in the case of any disputed claim, provided for by transmittal to the Commissioner of a sum adequate to meet any liability that may be judicially determined.

C. Any unclaimed distribution to a stockholder, member or depositor shall be held until ninety (90) days after the final distribution and then transmitted to the Commissioner. Such unclaimed funds shall be held by the Commissioner and administered in accordance with the provisions of the Uniform Unclaimed Property Act ~~(1981)~~.

D. If the Commissioner finds that assets will be insufficient for the full discharge of all obligations or that completion of the liquidation has been unduly delayed, ~~he~~ the Commissioner may take possession and complete the liquidation in the manner provided in this act for involuntary liquidations.

E. The Commissioner may require reports of the progress of liquidation. Whenever ~~he~~ the Commissioner is satisfied that the

liquidation has been properly completed ~~he~~ the Commissioner shall enter an order of dissolution and recommend to the Secretary of State that the association's certificate of incorporation be canceled, upon receipt of which the Secretary of State shall cancel such certificate.

SECTION 66. AMENDATORY 18 O.S. 1991, Section 381.63a, is amended to read as follows:

Section 381.63a A. Any association may sell to any other association, federal association, national banking association or Oklahoma-chartered bank all, or substantially all, of the selling association's assets and business, or all, or substantially all, of the assets and business of any department or branch of the selling association.

B. Any association, upon assuming the liabilities relating thereto, may purchase all, or substantially all, of the assets and business of another association, federal association, national banking association or Oklahoma-chartered bank, or all, or substantially all, of the assets and business of any department or branch of the selling institution.

C. The agreement of purchase and sale shall be authorized and approved by the boards of directors of the purchasing and selling institutions, and authorized and approved by the vote of a majority of the stockholders of the purchasing and selling institutions, or by a majority vote of the total number of votes of the members present in person or by proxy, in the case of mutual associations or mutual federal associations, at meetings called for the purpose and shall be filed with the State Banking Commissioner accompanied by evidence of such stockholders' or members' approval in like manner as plans of merger are filed. Copies of the agreement of purchase and sale shall be filed with and subject to the approval of the Commissioner, together with a fee for review of the transaction as required by rule of the Commissioner, and shall be accompanied by evidence of approval of such stockholders or members thereof in like manner as agreements of merger are filed. After such approval is given by the stockholders or members, a notice of such sale shall be published once a week for ~~three (3)~~ two (2) successive weeks in a newspaper of general circulation in the county in which the selling institution has its ~~principal~~ main office. Proof of such publication shall be filed with the Commissioner. The Commissioner may permit the requirement for publication of notice to be satisfied after the purchase and sale becomes effective if ~~he~~ the Commissioner determines that:

1. The selling institution is solvent, but either is close to insolvency or is experiencing a run on deposits;

2. The terms of the agreement of purchase and sale are essentially fair to the selling institution; and

3. The selling institution will remain solvent after the purchase and sale.

D. Any ~~savings deposit, share account or certificate of deposit account~~ which is unconditionally assumed by the purchasing association pursuant to an agreement approved by the Commissioner, and which, after a depositor's preexisting accounts at the

purchasing ~~association~~ institution are added to the accounts assumed from the selling institution, is fully covered by the Federal Deposit Insurance Corporation insurance limits at the purchasing ~~association~~ institution, shall cease to be an obligation of the selling institution after the purchase and sale becomes effective. Notwithstanding any term of the purchase and sale agreement or of the contract of deposit, a ~~savings deposit, share account, certificate of deposit~~ account or other creditor's account shall be deemed to be only conditionally assumed by the purchasing ~~association~~ institution if:

1. The amount of ~~a depositor's~~ preexisting deposit accounts of a depositor at the purchasing ~~association~~ institution, together with ~~that depositor's~~ accounts of that depositor which are assumed from the selling institution, would exceed the ~~purchasing association's~~ Federal Deposit Insurance Corporation insurance limits of such purchasing institution; or

2. ~~A depositor's or other creditor's claims~~ Claims of a depositor or other creditor against a selling institution and ~~his~~ loans of a depositor from the selling institution are not simultaneously assumed by the purchasing ~~association~~ institution so as to preserve a right of set-off. Any depositor or creditor of the selling institution whose business is conditionally sold has the right, after such sale:

- a. upon payment of any indebtedness owing by ~~him~~ the depositor to the selling institution, to withdraw ~~his~~ the deposit in full from the selling institution on demand, unless by dealing with the purchasing ~~association~~ institution with knowledge of the purchase ~~he~~ the depositor ratifies the transfer, or
- b. to exercise ~~his~~ the right to set-off of the depositor, unless by dealing with the purchasing ~~association~~ institution with knowledge of the purchase ~~he~~ the depositor ratifies the transfer.

E. The agreement of sale may provide for the transfer to the purchasing ~~association~~ institution of all fiduciary positions held by the selling institution subject to the right of the district court of the county in which the selling institution is situated, on petition of any interested party, to appoint another or succeeding fiduciary to the positions so transferred, ~~provided, however.~~ However, the provisions of the instrument creating the fiduciary position shall control such succession, if it so provides therein. Until such court appoints another or succeeding fiduciary, the purchasing ~~association~~ institution shall, if it has qualified, exercise any fiduciary function vested in the selling institution and the manner of succession of trust powers and successor trustees shall follow the same procedure as set out in subsection F of Section 1018 1109 of Title 6 of the Oklahoma Statutes.

F. Except as provided for in subsection D of this section, no right against or obligation of the selling institution in respect of the assets or business sold shall be released or impaired by the sale until one (1) year from the last date of publication of the notice pursuant to subsection C of this section, but after the expiration of such year no action can be brought against the selling

institution on account of any deposit, obligation, trust or asset transferred to or liability assumed by the purchasing association.

SECTION 67. AMENDATORY 18 O.S. 1991, Section 381.64, as amended by Section 61, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.64), is amended to read as follows:

Section 381.64 Except as ~~the Oklahoma Savings and Loan Code~~ this act otherwise provides, no foreign association shall ~~hereafter~~ be granted permission by the State Banking Commissioner or the Secretary of State to do business within this state and each foreign association now holding a certificate of authority issued by the Commissioner may continue to do business through its duly appointed agent but only in the county where it is now operating. Each such foreign association shall remain subject to supervision, and to examination as deemed necessary, by the Commissioner and to the ~~rules and regulations~~ of the Commissioner and shall make no loans in ~~Oklahoma~~ this state and accept no ~~savings deposit~~ savings deposit accounts in ~~Oklahoma~~ this state other than loans and ~~savings deposit~~ savings deposit accounts of a class which are authorized for Oklahoma chartered associations. ~~Any foreign association which has been granted permission to operate an agency within this state shall publish annually in the month of January in a newspaper of general circulation in the county in which the agency is operating a statement of its financial condition in the form prescribed or approved by the Commissioner.~~ In the event an authorized foreign association fails to comply with the provisions of this act or with the requirements of the Commissioner, or to keep on file with the Commissioner and the Secretary of State a written appointment of its resident agent upon whom service of summons and all other legal process may be had, or to pay the supervisory fees provided by this act, the Commissioner may revoke the certificate of authority of such association and invoke other remedies as provided by law. In the event of such revocation, the Secretary of State shall revoke and cancel the certificate of domestication of such association.

SECTION 68. AMENDATORY 18 O.S. 1991, Section 381.65, as amended by Section 62, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.65), is amended to read as follows:

Section 381.65 A. A federal association not having its ~~home offices~~ main office or any branches in this state or any foreign association may apply to the State Banking Commissioner for a limited certificate of authority to transact business in this state. The application shall explicitly limit the purposes which the federal association not having its ~~home offices~~ main office or any branches in this state or foreign association may pursue in this state. Such entity may apply to engage in any activity reasonably necessary or desirable in order to deal with loans originated by it in interstate commerce or acquired by it by assignment from an originating lender qualified or otherwise permitted to do business in this state, or any collateral securing such loans, as well as any property, real or personal, acquired by it by foreclosure or otherwise in satisfaction of debt held by it. Without limitation, a limited certificate of authority shall ~~permit~~:

1. Permit a federal association not having its ~~home offices~~ main office or any branches in this state or a foreign association to have full access to the courts of this state; ~~shall allow~~

2. Allow it to refinance, renew, extend or work out loans which it has originated in interstate commerce or which it has acquired by assignment; ~~shall allow~~

3. Allow it to take all steps reasonably necessary to monitor collateral and the credit quality of its debtors; and ~~shall allow~~

4. Allow it to manage, rent, sell or finance any property acquired by it by foreclosure or otherwise in satisfaction of debt held by it.

The Commissioner shall have authority to approve under a limited certificate of authority other specific purposes that such entity applies to engage in, provided that those purposes are incidental to or reasonably necessary in connection with the purposes more specifically permitted by this subsection. A federal association not having its ~~home offices~~ main office or any branches in this state, or a foreign association, as part of its application for a limited certificate of authority shall commit that it will not originate loans or solicit or accept applications for loans at any place within this state, nor shall it, directly or indirectly, receive applications for or payments or deposits to ~~savings~~ deposit accounts or investment securities of any kind at any place within this state. Such entity shall commit in its application that when doing business in this state it shall use a specified fictitious name not containing any of the terms forbidden by Section 381.23 of this title and, without limitation, it shall not use such terms on any office, advertising, telephone listing or other medium of holding itself out to the public within this state; ~~provided that.~~ However, in executing any legal documents or participating in court proceedings, the federal association not having its ~~home offices~~ main office or any branches in this state or foreign association shall use its actual name. The Commissioner ~~by rule or regulation~~ shall establish a list of items of information required to be contained in or submitted with an application for a limited certificate of authority, and shall fix a reasonable filing fee to defray the cost of processing such applications. The Commissioner shall act upon and issue ~~its~~ an order granting or denying each application for a limited certificate of authority, ~~after a hearing upon the application conducted as an individual proceeding under Article II of the Administrative Procedures Act, Section 309 et seq. of Title 75 of the Oklahoma Statutes.~~ If and when all requirements of the Commissioner are met, a limited certificate of authority shall be issued and the applying entity shall comply with all steps necessary in order to qualify to do business in this state in accordance with the provisions of Section 1130 of this title. The Secretary of State shall not allow such entity to qualify to do business until it furnishes proof that it holds a limited certificate of authority issued by the Commissioner.

B. A federal association not having its ~~home offices~~ main office or any branches in this state or a foreign association shall not be determined to be transacting or engaging in business in this state, either for the purposes of this act or for the purposes of Sections 1130 and 1131 of this title, solely by reason of the activities of its majority-owned subsidiary which is incorporated or qualified to do business within this state. The provisions of this subsection shall have no application to the question of whether the majority-owned subsidiary's parent company is:

1. Subject to service of process and suit in this state pursuant to the laws of this state; or

2. Subject to the taxation laws of this state.

C. A foreign association which does not have a certificate of authority or limited certificate of authority from the Commissioner, or a federal association which does not have permission from the Director of the Office of Thrift Supervision to operate its ~~home offices~~ main office or any branches in this state, shall not be deemed to be transacting or engaging in business in this state, for the purposes of this act, by reason of the purchase or acquisition, holding or sale of loans secured by mortgages on Oklahoma real estate, or participating interests therein, or the foreclosure thereof and acquiring of title to such mortgaged real estate in satisfaction of the mortgage indebtedness.

D. If a certificate of authority or limited certificate of authority to transact business has not been issued by the Commissioner to a federal association not having permission from the Director of the Office of Thrift Supervision to operate its ~~home offices~~ main office or any branches in this state, or to a foreign association, then such unauthorized entity shall not maintain any office in this state and shall not directly or indirectly through brokers, agents or others:

1. Receive applications for or payments or deposits to ~~savings deposit~~ deposit accounts or investment securities of any kind at any place within this state;

2. Assert or imply directly or by means of the mail, radio, television, newspapers, magazines or other media originating from any place within this state that it has agents or representatives in this state with whom its ~~savings deposit~~ deposit accounts and investments may be discussed;

3. Distribute any of its advertising material from any place within this state;

4. Display its name by signs or other wording on windows, doors or placards, or otherwise represent that it does business within this state or is represented for transaction of business at any location in this state; or

5. Hold assets in this state other than those permitted by subsection C of this section.

E. The Commissioner ~~is hereby authorized and empowered to~~ may obtain an injunction or ~~to~~ take any other action necessary to prevent any federal association not having its ~~home offices~~ main office or any branches in this state or any foreign association from violating any provision of this act, or ~~of~~ the rules ~~and regulations~~ of the Commissioner. Any such entity which violates any provision of this act and any agent or representative who transacts or solicits business for such entity which is acting in violation of this act shall forfeit and pay to the State of Oklahoma, to be recovered in a civil action in the name of the State of Oklahoma, the sum of Five Thousand Dollars (\$5,000.00).

SECTION 69. AMENDATORY 18 O.S. 1991, Section 381.66, is amended to read as follows:

Section 381.66 ~~Federal Savings and Loan Associations~~ associations are not deemed to be foreign associations. Unless federal laws or regulations provide otherwise, federal associations, which have their ~~home offices~~ main office in this state, and members thereof shall possess all of the rights, powers, privileges, benefits, immunities and exemptions which are provided by this act or which are now or may be hereafter provided by laws of this state for associations organized under the laws of this state and for the members thereof. This provision is additional and supplemental to any section of this act or other law, which by specific reference is applicable to federal associations and the members thereof.

SECTION 70. AMENDATORY 18 O.S. 1991, Section 381.66a, as amended by Section 63, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.66a), is amended to read as follows:

Section 381.66a A. At an annual meeting or at any special meeting of the members or stockholders called to consider such action, any association may convert itself into a national banking association pursuant to ~~the federal laws of the United States, as now or hereafter amended,~~ or may convert itself into an Oklahoma-chartered bank pursuant to the Oklahoma Banking Code ~~of 1965, as now or hereafter amended,~~ upon a majority vote of the outstanding stock entitled to vote thereon or upon a majority of the total number of votes of the members present in person or by proxy. An association converting to a state-chartered bank shall file with the State Banking Commissioner an application which shall be the application prescribed in Section 305 of Title 6 of the Oklahoma Statutes. However, the applicant shall not be required to provide evidence of need of granting authority to convert. The applicant association shall follow the publication requirements of Section 306.1 of Title 6 of the Oklahoma Statutes. Issuance of a state bank charter to the converting association by the Oklahoma Banking Board shall follow the prescribed procedure of the Oklahoma Banking Code. There shall be filed with the ~~State Banking~~ Commissioner a copy of the charter issued to such national banking association by the Office of the Comptroller of the Currency or of the certificate of authority issued to such Oklahoma-chartered bank by the Oklahoma Banking Board. Upon the grant to any association of a charter by the Office of the Comptroller of the Currency or of a certificate of authority by the Oklahoma Banking Board, the association receiving such charter or certificate of authority shall cease to be an association incorporated by this state. Upon conversion of any association into a national banking association or Oklahoma-chartered bank, such national banking association or Oklahoma-chartered bank shall be deemed to be a continuation of the entity of the association so converted ~~and all.~~ All property of the converted association, including its rights, titles and interests in and to all property of whatever kind, whether real, personal or mixed, and things in action, and every right, privilege, interest and asset of any conceivable value or benefit then existing or pertaining to it, or which would inure to it, shall immediately by operation of law and without any conveyance or transfer and without any further act or deed remain and be vested in and continue and be the property of such national banking association or Oklahoma-chartered bank into which the ~~state~~ association has converted itself, ~~and such.~~ Such national banking association or Oklahoma-chartered bank shall have,

hold and enjoy the same in its own right as fully and to the same extent as the same was possessed, held and enjoyed by the converting association, and such national banking association or Oklahoma-chartered bank as of the time of the taking effect of such conversion shall continue to have and succeed to all the rights, obligations and relations of the converting association. All pending actions and other judicial proceedings to which the converting ~~state~~ association is a party shall not be deemed to have abated or to have discontinued by reason of such conversion, ~~but~~. Such pending actions and other judicial proceedings may be prosecuted to final judgment, order or decree in the same manner as if such conversion into such national banking association or Oklahoma-chartered bank had not been made ~~and such~~. The national banking association or Oklahoma-chartered bank resulting from such conversion may continue such action in its corporate name as a national banking association or Oklahoma-chartered bank, and any judgment, order or decree may be rendered for or against it which might have been rendered for or against the converting ~~state~~ association theretofore involved in such judicial proceedings.

B. In the case of a conversion of a mutual association to a national banking association or Oklahoma-chartered bank, the members of the mutual association, at the meeting at which conversion to a national banking association or Oklahoma-chartered bank is voted upon, shall also vote upon the directors who shall be the directors of the national banking association or Oklahoma-chartered bank after the conversion takes place. The directors shall file with the Commissioner an application for conversion and a firm commitment for, or evidence of, insurance of deposits and other accounts of a withdrawable type by the Federal Deposit Insurance Corporation. The Commissioner may refuse to approve the application if it has reason to believe that the plan of conversion is not fair and equitable to all of the members and that sufficient provision is not made to protect the interests of the depositors of the prospective national banking association or Oklahoma-chartered bank. Upon the approval by the Commissioner and by the Office of the Comptroller of the Currency or the Oklahoma Banking Board, the association shall cease to be a mutual association.

C. The conversion of a mutual association into a national banking association or Oklahoma-chartered bank shall be effected in accordance with a plan of conversion adopted by the members as provided in this section and consistent with the other provisions of ~~Title 18 of the Oklahoma Statutes~~ this title. The plan shall provide that:

1. Each deposit account holder in the converting mutual association shall receive a ~~withdrawable~~ deposit account in the converted national banking association or Oklahoma-chartered bank equal in amount to ~~his withdrawable~~ the deposit account of such holder in the mutual association;

2. A record date for determining deposit account holders entitled to purchase stock shall be established which is not less than ninety (90) days prior to the date of adoption of the plan of conversion by the ~~association's~~ board of directors of such association;

3. Officers, directors and employees of the association and their associates shall forego any participation in the initial

distribution of permanent capital stock to the extent that any such person increased ~~his~~ the account of such person by more than Twenty Thousand Dollars (\$20,000.00) during the six (6) months preceding the record date established pursuant to this section. For this purpose the term "associate" shall have the same meaning as in Section 381.50 of this title-;

4. The amount of stock of the converted national banking association or Oklahoma-chartered bank to which a member is entitled to subscribe shall be determined on the basis of the ratio of ~~his savings~~ the deposits of the member with the association on the record date to the total ~~savings deposits~~ deposits of the association on the record date, as applied to the initial issuance of permanent capital stock. Each ~~savings account or savings deposit~~ account holder as of the record date may receive warrants authorizing the purchase of shares of permanent capital stock of the converted national banking association or Oklahoma-chartered bank at a price determined by the board of directors of the institution and approved by the Commissioner ~~and by or~~ or the Director of the Office of Thrift Supervision, and scrip denoting fractional stock interests of less than one share, ~~provided, however, that.~~ However, no ~~savings account or savings deposit~~ account holder shall be entitled to scrip representing fractional interests of less than one-fifth (1/5) share of stock; and

5. In connection with a conversion, ~~savings account and savings deposit~~ account holders shall have a preemptive right to purchase such permanent capital stock for a period of not less than fourteen (14) days from the date the offer to sell permanent capital stock is made.

D. In no case of conversion of a mutual association to a national banking association or Oklahoma-chartered bank shall any reserves existing at the time of such conversion ever inure to the benefit of the permanent capital stock, but shall be maintained as reserves in accordance with directions of the Commissioner. The reserves of the converted national banking association or Oklahoma-chartered bank resulting from the conversion of a mutual association shall be not less than the amount necessary to meet the requirements of the Office of the Comptroller of the Currency or of the Federal Deposit Insurance Corporation, respectively.

SECTION 71. AMENDATORY 18 O.S. 1991, Section 381.66b, as amended by Section 64, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.66b), is amended to read as follows:

Section 381.66b A. At an annual meeting or at any special meeting of the stockholders called to consider such action, any national banking association or Oklahoma-chartered bank may convert itself into a stock association ~~under the Oklahoma Savings and Loan Code pursuant to this act~~ upon a majority vote of the outstanding stock entitled to vote thereon, and in compliance with any federal laws of the United States, as now or hereafter amended, or provisions of the Oklahoma Banking Code ~~of 1965, as now or hereafter amended,~~ applicable to such a transaction by the converting national banking association or Oklahoma-chartered bank. Copies of the minutes of the proceedings of such meeting of stockholders, verified by the affidavit of the secretary or an assistant secretary, and verified copies of the plan of conversion shall be filed for approval with the State Banking Commissioner. At the meeting at

which conversion is voted upon, the stockholders shall also vote upon the directors who shall be the directors of the state-chartered association after conversion takes effect. Such directors then shall execute and file an application for conversion, a proposed certificate of incorporation and proposed bylaws, and the Commissioner shall file, upon approval, issue a certificate of authority ~~upon approval by the Commissioner, all as provided in the Oklahoma Savings and Loan Code~~ this act. The Commissioner shall approve the ~~plan of application for conversion~~ and issue a certificate of authority if it appears that:

1. The resulting stock association meets all of the requirements of ~~the Oklahoma Savings and Loan Code~~ this act as to the formation of a new stock association; and

2. The resulting stock association will have an adequate capital structure including surplus. The ~~Secretary of State association~~ shall include in the certificate of incorporation the following, as applicable: "This association is incorporated by conversion from a national banking association/Oklahoma-chartered bank." All of the directors who are chosen for the association shall sign and acknowledge the certificate of incorporation as the subscribers. The Commissioner may provide, by regulation, for any additional procedure to be followed by any such national banking association or Oklahoma-chartered bank converting into an association under this act, including the amount of the application fee to be paid to the Oklahoma State Banking Department. All the provisions regarding property and other rights and liabilities contained in Section 381.66a of this title shall apply, in reverse order, to the conversion of a national banking association or Oklahoma-chartered bank into an association incorporated under this act, so that the state-chartered association shall be a continuation of the corporate entity of the converting national banking association or Oklahoma-chartered bank.

B. In connection with the review of the application for conversion, the Commissioner may conduct an examination of the converting institution, and such examination shall be paid for by the converting institution according to the fees prescribed in subsection D of Section 381.15 of this title for special examinations. The deposit payable by the converting institution pursuant to paragraph 5 of Section 381.16 of this title shall not be a limitation on the examination fee payable by the converting institution.

C. If a converting national banking association or Oklahoma-chartered bank has assets which do not conform to the requirements of state law for the converted state association, or there are business activities which are not permitted for the converted state association, the Commissioner may permit a reasonable time to conform with state law.

SECTION 72. AMENDATORY 18 O.S. 1991, Section 381.66c, as amended by Section 65, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.66c), is amended to read as follows:

Section 381.66c A. Upon approval of the State Banking Commissioner, one or more national banking associations or Oklahoma-chartered banks may be merged with and into a stock association as hereafter prescribed, except that the action by a constituent

national banking association shall be taken in the manner prescribed by and shall be subject to any limitation or requirements imposed by any law of the United States which shall govern the rights of its dissenting shareholders.

B. The board of directors of each constituent institution shall, by a majority of the entire board, approve a merger agreement which shall contain:

1. The name of each constituent institution and the location of each office;

2. With respect to the resulting stock association the name and the location of each proposed office, the name and residence of each director to serve until the next annual meeting of the stockholders, the name and residence of each officer, the amount of capital, the number of shares and the par value of each share, whether preferred stock is to be issued and the amount, terms and preferences and the amendments to the certificate of incorporation and bylaws;

3. The terms for the exchange of shares of the constituent institutions for the shares or other consideration of the resulting stock association;

4. A statement that the merger and the merger agreement is subject to approval by the Commissioner and by the stockholders of each constituent institution;

5. Provisions governing the manner of disposing of the shares of the resulting stock association not taken by dissenting stockholders of the constituent institutions; and

6. Such other provisions as the Commissioner requires to enable it to discharge its duties with respect to the merger.

C. After approval by the board of directors of each constituent institution, the merger agreement shall be submitted to the Commissioner for approval, together with a fee for review of the merger as required by rule of the Commissioner which shall be deposited in the Oklahoma State Banking Department Revolving Fund revolving fund pursuant to Section ~~222~~ 211.1 of Title 6 of the Oklahoma Statutes, certified copies of the authorizing resolutions of the several boards of directors showing approval by a majority of the entire board and evidence of proper action by the board of directors of any constituent national banking association.

D. Without approval by the Commissioner, no asset shall be carried on the books of the resulting stock association at a valuation higher than that on the books of the constituent bank at the time of the last examination by a state or national bank examiner before the effective date of the merger.

E. Within thirty (30) days after receipt by the Commissioner of the papers specified in subsection C of this section, the Commissioner ~~at an individual proceeding pursuant to Title II of the Administrative Procedures Act, Section 309 et seq. of Title 75 of the Oklahoma Statutes,~~ shall approve or disapprove the merger agreement. The Commissioner shall approve the agreement if it appears that:

1. The resulting stock association meets all of the requirements of ~~the Oklahoma Savings and Loan Code~~ this act as to the formation of a new stock association;

2. The agreement provides an adequate capital structure including surplus;

3. The agreement is fair; and

4. The merger is not contrary to the public interest. If the Commissioner disapproves an agreement, ~~it~~ the Commissioner shall state ~~its~~ all objections and give an opportunity to the constituent institutions to amend the merger agreement to obviate such objection.

F. Where the resulting stock association is not to exercise trust powers, the Commissioner shall not approve a merger until satisfied that adequate provision has been made for successors to fiduciary positions held by constituent banks, and the manner of succession of trust powers and successor trustees shall follow the same procedure as set out in Section 1018 of Title 6 of the Oklahoma Statutes.

G. To be effective, a merger must be approved by the stockholders of each constituent institution by a majority vote of the outstanding voting stock at a meeting called to consider such action, which vote shall constitute the adoption of the certificate of incorporation and bylaws of the resulting stock association, including the amendments set forth in the merger agreement.

H. The notice of the meeting of stockholders shall be given by publication in a newspaper of general circulation in the place where the ~~principal~~ main office of each constituent institution is located, at least once a week for four (4) successive weeks, and by mail, at least fifteen (15) days before the date of the meeting, to each stockholder of record of each constituent institution at ~~his~~ the address of such stockholder on the books of ~~his~~ the institution, who has not waived such notice in writing; ~~no~~. No notice by publication need be given if written waivers are received from the holders of a majority of the outstanding shares of each class of voting stock.

I. At the effective time of the merger the charters of the constituent institutions other than the resulting stock association shall be deemed to be surrendered.

J. The resulting stock association shall be considered the same business and corporate entity as each constituent bank with all of the rights, powers, and duties of each constituent bank, except as limited by the certificate of incorporation and bylaws of the resulting stock association.

K. Any reference to any constituent bank in any writing, whether executed or taking effect before or after the merger, shall be deemed a reference to the resulting stock association if not inconsistent with the other provisions of such writing.

L. If a constituent bank has assets which do not conform to the requirements of state law for the resulting stock association, or if there are business activities which are not permitted for the

resulting stock association, the Commissioner may permit a reasonable time to conform with state law.

M. Rights of dissenting stockholders of a constituent bank shall be those described in Section 1104 of Title 6 of the Oklahoma Statutes.

SECTION 73. AMENDATORY 18 O.S. 1991, Section 381.71, as amended by Section 66, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.71), is amended to read as follows:

Section 381.71 As used in this section and Sections 381.72 and 381.73 of this title:

1. "Acquire" means:

- a. the merger or consolidation of an out-of-state savings institution with or into an in-state savings institution, ~~or~~
- b. the acquisition by an out-of-state savings institution of direct or indirect ownership or control of voting shares or, in the case of a mutual savings institution, voting rights of an in-state savings institution if, after such acquisition, such out-of-state savings institution directly or indirectly owns or controls twenty-five percent (25%) or more of any class of voting shares or voting rights of such in-state savings institution, ~~(excluding shares or rights owned or held by the United States or by any organization wholly owned by the United States), or~~
- c. the acquisition by an out-of-state savings institution of the direct or indirect ownership of all or substantially all of the assets, including, if agreed, the assets of any branches and facilities thereof, of an in-state savings institution, or
- d. any other action that would result in the direct or indirect ownership or control by an out-of-state savings institution of an in-state savings institution;

2. "Control" means direct or indirect ownership of or holding with the power to vote twenty-five percent (25%) or more of the voting shares, or in the case of a mutual savings institution, the voting rights, ~~(excluding shares or rights owned or held by the United States or by any organization wholly owned by the United States), or the power in any manner to elect a majority of the directors or directly or indirectly to exercise a controlling influence, (as determined by the State Banking Commissioner after notice and an opportunity for hearing), on the management or policies, of a company;~~

3. "Holding company" means a company which owns or controls one or more savings institutions organized under the laws of any state or the laws of the United States;

4. "~~Home~~ Main office" means the office of a savings institution designated as ~~its home office in its certificate of incorporation by the Commissioner or the Office of Thrift Supervision as the main office of the institution~~ and located within the United States;

5. "In-state savings institution" means a savings institution organized under the laws of this state or the laws of the United States whose ~~home~~ main office is located in Oklahoma;

6. "Oklahoma holding company" means a holding company organized under the laws of this state;

7. "Out-of-state savings institution" means any savings institution organized under the laws of another state or the laws of the United States whose ~~home~~ main office is located in another state;

8. "Savings institution" means any ~~insured~~ association or federal association, or as the context requires, any holding company or subsidiary of such savings institution; and

9. "Subsidiary" means a company which is owned or controlled by a savings institution.

SECTION 74. AMENDATORY 18 O.S. 1991, Section 381.73, as amended by Section 67, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.73), is amended to read as follows:

Section 381.73 A. ~~Acquisition of control.~~ An out-of-state savings institution, upon approval by the State Banking Commissioner, may acquire direct or indirect control of an unlimited number of in-state savings ~~institutions~~ associations for operation as in-state savings institutions, and may acquire any such institutions' parent Oklahoma holding company. Any acquisition made pursuant to the provisions of this section may include assets and liabilities of the in-state savings institution or its parent Oklahoma holding company and all branches and facilities thereof.

B. ~~Prohibited transactions.~~

1. No in-state savings institution which becomes a subsidiary of an out-of-state savings institution under any extraordinary acquisition provisions of federal law, or which is otherwise controlled by an out-of-state savings institution, shall be permitted to acquire direct or indirect ownership or control of, or to convert to a branch, any additional in-state savings institution or to establish additional branches or facilities, except as otherwise provided for in this section, ~~and.~~

2. No out-of-state savings institution may directly or indirectly acquire control of an in-state savings institution or its parent Oklahoma holding company except as otherwise permitted by this section.

C. ~~Approval of acquisition.~~ No acquisition provided for in this section shall be permitted unless the approval of the Commissioner required pursuant to subsection A of this section:

1. Includes, for all acquisitions, a finding that:

- a. the in-state savings institution sought to be acquired or all of the savings institution subsidiaries of the parent Oklahoma holding company sought to be acquired have either been in existence and continuous operation for more than five (5) years ~~or have been chartered before July 1, 1987,~~ and
- b. notice of intent to acquire has been published in a newspaper of general paid circulation in the county or counties where the in-state savings institution to be acquired is located and that a notice of intent to acquire has been mailed by certified mail with return receipt requested to each person owning stock in the in-state savings institution to be acquired or in its parent Oklahoma holding company or, if the in-state savings institution to be acquired is a mutual association, notice has been given as in the case of a proceeding under Section 381.61 of this title; ~~and~~

2. Includes, for any acquisition of a majority of the voting shares of a stock association or of its parent Oklahoma holding company, or for any acquisition of a mutual association by merger or purchase and assumption transaction with another in-state savings association, a finding that the acquisition has been approved by the board of directors and a majority of the stockholders or of holders of voting rights in the in-state savings institution or of its parent Oklahoma holding company, as applicable; ~~and~~

3. Subjects the acquisition to any conditions, restrictions, and requirements that would be applicable to such an acquisition by an in-state savings institution of an out-of-state savings institution in the state where the out-of-state savings institution has its ~~home~~ main office, if such state has enacted and implemented legislation authorizing the acquisition by an in-state savings institution of out-of-state savings institutions located in that state, but that would not be applicable to acquisitions in that state by an out-of-state savings institution all of whose savings institution subsidiaries are located in that state; and

4. Except when the additional acquisition is of an in-state savings institution whose stock is held as stock acquired in the course of realizing upon a security interest which secured a debt previously contracted in good faith prior to the original acquisition by the out-of-state savings institution, prohibits additional branching and further acquisitions by an in-state savings institution which is a subsidiary of an out-of-state savings institution unless and until the earlier of:

- a. such time as the Commissioner determines that the state in which the out-of-state savings institution has its ~~home~~ main office has enacted and implemented legislation authorizing in-state savings institutions to acquire savings institutions in that state on a reciprocal basis, or
- b. the expiration of a four-year period commencing on the date of acquisition by the out-of-state savings institution.

D. ~~Branching, acquisition and conversion by subsidiaries.~~ Any in-state savings institution or its parent Oklahoma holding company which becomes a subsidiary of an out-of-state financial institution under the extraordinary acquisition provisions of federal law, or which is otherwise deemed to be controlled by an out-of-state financial institution, may acquire direct or indirect ownership or control of any additional in-state financial institution or its parent Oklahoma holding company, establish additional branches or facilities, or convert the existing controlled in-state savings institution to branches of another in-state savings institution:

1. If the Commissioner has determined that the principal place of business of the out-of-state savings institution has enacted and implemented reciprocal acquisition legislation within the purview of this section; or

2. Upon the expiration of a four-year period commencing on the date of acquisition by the out-of-state savings institution.

E. ~~Limitations and restrictions.~~ All limitations and restrictions of ~~the Oklahoma Savings and Loan Code~~ this act applicable to in-state savings institutions shall apply to an in-state savings institution which becomes a direct or indirect subsidiary of an out-of-state savings institution and to the out-of-state savings institution. The provisions of this subsection shall not be construed to prohibit the acquisition by an out-of-state savings institution of all or substantially all of the shares of an in-state savings institution organized solely for the purpose of facilitating the acquisition of a savings institution which has been in existence and continuous operation as a savings institution for more than five (5) years ~~or has been chartered before July 1, 1987,~~ if the acquisition has otherwise been approved pursuant to this subsection. Nor shall the provisions of this subsection be construed to prohibit an out-of-state savings institution which acquires an in-state savings institution under this section from additional acquisitions under this section, if such acquisition would otherwise be permitted.

F. ~~Applicable law.~~ Any out-of-state savings institution which controls an in-state savings institution shall be subject to the laws of this state and the rules of its agencies relating to the acquisition, ownership, and operation of in-state savings institutions. The Commissioner shall make such rules ~~and regulations~~ including the imposition of reasonable application and administration fees as it finds necessary to implement the provisions of this act.

G. ~~Regulatory supervision.~~ The Commissioner may enter into cooperative agreements with other regulatory agencies to facilitate the regulation of savings institutions doing business in this state. If such agreements result in the payment of fees, however calculated, by any other regulatory agency to the Oklahoma State Banking Department for examination activities conducted by Department personnel, whether such examination activity is conducted inside or outside this state, such fees shall be deposited in the Bank Examination Revolving Fund established in Section 211.2 of Title 6 of the Oklahoma Statutes. If such agreements result in the payment of fees, however calculated, by the Department to any other bank supervisory agency for examination activities conducted by such other regulatory agency, whether such examination activity is

conducted inside or outside this state, such fees shall be paid by the Department from the Bank Examination Revolving Fund established by Section 211.2 of Title 6 of the Oklahoma Statutes. The Commissioner may accept reports of examinations and other records from such other agencies in lieu of the Commissioner conducting ~~its own~~ examinations of in-state savings institutions controlled by out-of-state savings institutions. The Commissioner may take any action jointly with other regulatory agencies having concurrent jurisdiction over savings institutions doing business in this state or may take such actions independently in order to carry out its responsibilities.

H. ~~Divestiture.~~ The Commissioner shall have the power to enforce the prohibitions provided for in subsection B of this section by requiring divestiture and through the imposition of fines and penalties, the issuance of cease and desist orders, and such other remedies as are provided by law.

I. ~~Penalties.~~ Any organization which intentionally and willfully violates any provision of this section, upon conviction, shall be fined not less than Five Hundred Dollars (\$500.00) nor more than Five Thousand Dollars (\$5,000.00) for each day during which the violation continues. Any individual who intentionally and willfully participates in a violation of any provision of this section, upon conviction, shall be fined not more than Ten Thousand Dollars (\$10,000.00) or imprisoned not more than one (1) year, or both such fine and imprisonment.

J. ~~Judicial review.~~ Any final order of the Commissioner pursuant to this section shall be appealable pursuant to Section 207 of Title 6 of the Oklahoma Statutes.

SECTION 75. AMENDATORY 18 O.S. 1991, Section 381.74, as amended by Section 68, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.74), is amended to read as follows:

Section 381.74 A. ~~Involuntary Liquidation by Commissioner; Possession by Commissioner; Hearing.~~ Except as otherwise provided in ~~the Oklahoma Savings and Loan Code~~ this act, ~~upon the recommendation of the Federal Deposit Insurance Corporation,~~ only the State Banking Commissioner may take possession of a state-chartered savings and loan association, if the Commissioner determines that:

1. The ~~association's~~ business of the association is being conducted in an unlawful or unsound manner; ~~or~~

2. The association does not have funds available to pay all withdrawals of savings deposits when due or is otherwise unable to continue normal operations; ~~or~~

3. The examination of the association has been obstructed or impeded; or

4. The association is operating in violation of provisions of ~~the Oklahoma Savings and Loan Code~~ this act despite written notice to discontinue such violation.

B. ~~Notice of Possession; Powers and Duties of Commissioner; Tolling of Limitations.~~

1. The Commissioner ~~shall~~ may take possession of ~~a~~ any state-chartered savings ~~and loan~~ association by posting upon the ~~association's~~ premises of such association a notice reciting that possession is being assumed pursuant to the provisions of this section and stating when possession shall be deemed effective. Possession may become effective no earlier than the posting of the notice. A copy of the notice shall be filed in the district court of the county where the association is located. The Commissioner shall notify, if applicable, the appropriate district offices of the Director of the Office of Thrift Supervision and the Federal Deposit Insurance Corporation of taking possession of the association.

2. a. Once possession is effective the Commissioner shall be vested with the full and exclusive power of management and control, including the power to:

- (1) continue or discontinue the business of the association~~†~~†
- (2) stop or limit the payment of the ~~association's~~ obligations† of the association,
- (3) employ any necessary assistants, including legal counsel~~†~~†
- (4) execute any instrument in the name of the association as Commissioner in charge of liquidation~~†~~†
- (5) commence, defend or conduct in the name of the association any action or proceeding to which it may be a party~~†~~†
- (6) enforce the liabilities of stockholders, officers and directors of the association~~†~~†
- (7) terminate possession by restoring the assets of the association to its board of directors~~†~~† and
- (8) reorganize or liquidate the association in accordance with ~~the Oklahoma Savings and Loan Code~~ this act.

b. As soon as practicable after taking possession the Commissioner shall make an inventory of the assets of the association and file a copy thereof with the district court where the notice of possession was filed.

3. While the Commissioner is in possession there shall be a postponement of six (6) months after the effective date of possession, of the date upon which any period of limitation fixed by statute or agreement would otherwise expire on a claim or right of action of the association, or upon which a review must be taken or a pleading or other document must be filed by the association in any pending action or proceeding.

4. a. The Commissioner, within two (2) days after taking possession of a stock association, shall call a special meeting of the stockholders to allow the

stockholders to retain the incumbent board of directors or to elect a newly constituted board of directors, who may represent the stockholders in the liquidation proceedings and observe, assist and protect the interests of the stockholders.

- b. The board of directors of the association is authorized to bring all necessary legal actions for and on behalf of the stockholders and to pay attorney's fees in a reasonable amount, if such action benefits the liquidating account of the failed association.
- c. The board of directors, as authorized by the stockholders, shall represent the stockholders in the district court in which the notice of possession was filed by the Commissioner, as to all matters affecting the association.

5. The association shall continue to exist as a body corporate for all purposes, except for the purpose of continuing the business for which the association was organized, and may function to assist the Commissioner or to protect the stockholders' interests in the assets of the liquidating account.

~~C. Omission of Hearing; Application to Vacate Possession; Liquidation; Notice; Objection; Bond of Commissioner; Reorganization; Immediate Liquidation of State Associations.~~

1. If the Commissioner determines that an emergency exists which may result in serious losses to the depositors of an association, he may take possession of the association without a prior hearing. Within ten (10) days after the Commissioner has taken possession any interested person may appeal such action pursuant to the provisions of Section 207 of Title 6 of the Oklahoma Statutes.

2. If the Commissioner determines that liquidation of the association is warranted, notice of such determination shall be given to such directors, stockholders, depositors and creditors of the association as the ~~Board~~ Commissioner may prescribe. The notice shall be by restricted delivery to the directors and stockholders at their last-known address as shown on the records of the association, and notice to the depositors and creditors shall be published in a newspaper of general circulation in the county where the ~~home~~ main office of such association is located. Any objection to such determination by a person directly affected thereby shall be appealed pursuant to the provisions of Section 207 of Title 6 of the Oklahoma Statutes. Unless within ten (10) days after the date of publication an order is issued staying the liquidation or unless the Commissioner tenders to the Federal Deposit Insurance Corporation the appointment as liquidator pursuant to Section 381.77 of this title, the Commissioner shall liquidate the association after providing a bond executed by a surety company authorized to do business in this state, ~~running to~~ for the benefit of the people of the State of Oklahoma this state, for the faithful discharge of ~~his~~ the duties of the Commissioner in connection with such liquidation and the accounting for all ~~moneys~~ monies coming into ~~his hands~~ the possession of the Commissioner. The cost of such bond shall be paid

from the assets of the association. Suit may be maintained on such bond by any person injured by a breach of the conditions thereof.

3. After the Commissioner takes possession of an association pursuant to the provisions of this section, the stockholders thereof may repair its credit, restore or substitute its reserves, and otherwise improve its condition so that it is qualified to do a general savings and loan business as provided for by law. Such association shall not reopen its business until the Commissioner issues written permission therefor after ~~a careful~~ an investigation of the affairs of the association and a determination that the board of directors of the association has complied with ~~the~~ all applicable laws, that the association's credit and funds are in all respects repaired, and its reserves restored or sufficiently substituted, and that it again should be permitted to reopen for business. Written permission to reopen to do a general savings and loan business shall be issued in the same manner as is provided by law for granting permission to do business after incorporation.

4. If the Commissioner determines that reorganization of the association is warranted or if the Supreme Court, after staying the liquidation of the association, orders such reorganization, the Commissioner, after according a hearing to all interested persons, shall enter an order proposing a reorganization plan. A copy of the plan shall be sent to each depositor and creditor who will not receive full payment of ~~his~~ their claim under the plan, together with notice that, unless the plan is disapproved, within fifteen (15) days after the date of the mailing of the plan, in writing by persons holding one-third (1/3) or more of the aggregate amount of such claims, the Commissioner shall proceed to effect the reorganization. A department, agency, or political subdivision of this state holding a claim which will not be paid in full is authorized to participate in the reorganization as any other creditor.

5. a. Notwithstanding any other provision to the contrary, the Commissioner, upon taking possession of an association, may immediately liquidate said association without giving prior notice to the directors, stockholders, depositors and creditors of such association, if it is determined by order of the district court where notice of possession was filed that the immediate liquidation of the association is necessary to protect the interests of the depositors of the association and is otherwise in the public interest.
- b. In proceeding with the immediate liquidation of the association, the Commissioner, in order to facilitate the assumption of the deposit liabilities of the closed insured association by another association, may borrow ~~moneys~~ monies from the Federal Deposit Insurance Corporation and pledge some or all of the assets of the closed insured association as security for such borrowing or may sell some or all of the assets of the closed insured association to the Federal Deposit Insurance Corporation.

6. Once the Commissioner takes possession of an association for purposes of liquidation, neither the ten-day periods provided by

subsection C of this section nor the pendency of any proceeding for review of the ~~Commissioner's~~ action of the Commissioner shall operate to defer, delay, impede or prevent the payment by the Federal Deposit Insurance Corporation of the insured deposits ~~in~~ said of an insured association.

7. The Commissioner shall make available to the Federal Deposit Insurance Corporation such facilities in or of ~~the said~~ an insured association and such books, records and other relevant data of the ~~said insured~~ association as may be necessary or appropriate to enable the Federal Deposit Insurance Corporation to pay the insured deposits in ~~said the insured~~ association as provided in this subsection. The Federal Deposit Insurance Corporation, its directors, officers, agents, and employees, and the Commissioner, ~~his and the~~ agents, and employees of the Commissioner, shall be free from any liability to the insured association, its directors, stockholders, and creditors, for any action relating to the payment of insured deposits.

D. ~~Execution Upon Association Assets Prohibited; Vacation of Liens and Transfer of Assets.~~ No judgment, lien, or attachment shall be executed upon any asset of the association while it is in the possession of the Commissioner. The Commissioner, in connection with a liquidation or reorganization may:

1. Vacate and void any lien or attachment, other than an attorney's or mechanic's lien, obtained upon any asset of the association during the Commissioner's possession or within four (4) months prior to commencement thereof, except liens created by the Commissioner while in possession; and

2. Void any transfer of an asset of the association made after or in contemplation of its insolvency with intent to effect a preference.

E. ~~Power to Borrow Money and Pledge Association's Assets. With the approval of the Board, the~~ The Commissioner may borrow money in the name of the association and may pledge its assets as security for a loan.

F. ~~Commissioner's Expenses; Payable Out of Association's Assets.~~ All necessary and reasonable expenses of the Commissioner relating to the possession of an association and of its reorganization or liquidation shall be defrayed from the assets of the association. Compensation to liquidating agents and employees shall not be in excess of amounts which such individuals would be entitled to in their regular employment or for like services rendered within the area of the insolvent association, and in no event shall a liquidating agent be paid a monthly salary or wage from the assets of the association in excess of the amount of the monthly salary of the highest paid official of the insolvent association. Any attorney's fee allowed to an attorney representing the liquidating agent shall not exceed the reasonable amount charged by other attorneys of similar competence for like services in regular employment of an attorney in the area of the association.

SECTION 76. AMENDATORY 18 O.S. 1991, Section 381.75, as amended by Section 69, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.75), is amended to read as follows:

Section 381.75 A. ~~Reorganization; Standards of Plan of Reorganization.~~ A plan of reorganization shall not be acceptable unless:

1. Such plan is feasible and fair to all classes of depositors, creditors and stockholders;
2. The aggregate face amount of the interest accorded to any class of depositors, creditors or stockholders under the plan does not exceed the value of the assets upon liquidation less the full amount of the claims of all prior classes, subject, however, to any fair adjustment for new capital that any class will pay in under the plan;
3. Such plan provides for the issuance of capital stock and, if necessary, debentures in an amount that will provide an adequate ratio to deposits;
4. Any exchange of new common stock for obligations or stock of the association will be effected in inverse order to the priorities in liquidation of the classes that will retain an interest in the association and upon terms that fairly adjust any change in the relative interests of the respective classes that will be produced by the exchange;
5. The plan assures the removal of any director, officer or employee responsible for any unsound or unlawful practice or the existence of an unsound condition; and
6. Any merger or consolidation provided by the plan conforms to the requirements of ~~the Oklahoma Savings and Loan Code~~ this act.

B. ~~Modification or Elimination of Plan of Reorganization; Notice to Board.~~ Whenever, in the course of reorganization, supervening conditions render the plan unfair or its execution impractical, the State Banking Commissioner may modify the plan or liquidate the association. Any such action shall be taken by order of the Commissioner upon appropriate notice.

SECTION 77. AMENDATORY 18 O.S. 1991, Section 381.76, is amended to read as follows:

Section 381.76 A. ~~Liquidation by Commissioner; Procedure; Sale of Assets; Compromise and Payment of Claims.~~ In liquidating an association, the State Banking Commissioner may exercise any power of such association, but shall not, without the approval of the district court where notice of possession was filed:

1. Sell any asset of the association having a value in excess of Five Hundred Dollars (\$500.00) or such larger sum as may be determined by the court, but not exceeding One Hundred Thousand Dollars (\$100,000.00); ~~or~~
2. Compromise or release any claim exceeding Five Hundred Dollars (\$500.00), exclusive of interest or such larger sum as may be determined by the court, but not exceeding One Hundred Thousand Dollars (\$100,000.00); or
3. Make any payment on any claim, other than a claim upon an obligation incurred by the Commissioner, before preparing and filing

a schedule of determinations in accordance with subsection H of this section.

~~B. Lease of Lands for Oil and Gas; Royalty; Manner of Making Lease; Dispensing With Notice.~~ 1. The Commissioner may lease for oil and/or gas purposes any land vested in the Commissioner as assets of an insolvent association.

2. In making or executing any such lease the Commissioner shall retain and reserve a royalty of not less than one-eighth (1/8) of the oil and/or gas produced from said land. Said lease shall be made in the same manner as provided for by law for the sale of other assets of state-chartered associations in the possession of the Commissioner.

~~C. Termination of Association's Executory Contracts.~~ Within six (6) months after the commencement of liquidation proceedings, the Commissioner may terminate any executory contract, including but not limited to contracts for services or advertising, to which the association is a party or any obligation of the association as a lessee. A lessor who receives at least sixty (60) days' notice of the Commissioner's decision to terminate the lease shall not be entitled to a claim for rent other than rent accrued to the date of termination nor for damages for such termination, except that on building or association premises the lessor may receive damages not exceeding one (1) year's rent as provided in such lease.

~~D. Termination of Association's Fiduciary Positions.~~ As soon after the commencement of liquidation as is practicable, the Commissioner shall take the necessary steps to terminate all fiduciary positions held by the ~~state~~ association and take such action as may be necessary to surrender all property held by the association as a fiduciary and to settle its fiduciary accounts. The Commissioner may transfer such fiduciary accounts to another qualified corporate fiduciary in the same community without assent of the parties. Notice of such transfer shall be given by registered mail to the parties, and the manner of succession of trust powers and successor trustees shall be in accordance with the procedure provided in Section 1018 of Title 6 of the Oklahoma Statutes.

~~E. Subrogation of Insuring Agency of United States.~~ The right of any agency of the United States insuring deposits to be subrogated to the rights of depositors upon payment of their claims shall not be less extensive than what the law of the United States requires as a condition of the authority to issue such insurance or make such payments to depositors of federal associations.

~~F. Notice to Depositors, Creditors and Safe Deposit Box Lessees.~~ Within ten (10) days after taking possession, the Commissioner shall send notice of the liquidation to each known depositor, creditor, lessee of a safe deposit box, and bailor of property held by the association, at the address shown on the books of the association. The notice shall also be published in a newspaper of general circulation in the county in which the ~~home~~ main office of the association is located once a week for three (3) successive weeks. The Commissioner shall send with each notice a statement of the amount shown on the books of the association to be the claim of the depositor or creditor, with all setoffs and any amounts due to the association. The notice shall demand that

property held by the association as bailee or in a safe deposit box be withdrawn by the person entitled thereto and, if the amount claimed differs from that stated in the statement to be due, that the depositor or creditor file a claim with the Commissioner within sixty (60) days from the date of the first publication of the notice of the liquidation given by the Commissioner, in accordance with the procedure prescribed in the notice. The failure of any depositor, creditor or claimant to receive a notice, or observe the published notice of the liquidation by the Commissioner, shall not relieve such claimant of the obligation to file a claim, if the amount thereof differs from the amount found by the Commissioner. If no claim is filed by the claimant within the time specified, then the determination of the Commissioner shall be final and shall constitute the claim of that claimant.

G. ~~Disposition of Contents of Unclaimed Safe Deposit Boxes.~~ Safe deposit boxes, the contents of which have not been removed within sixty (60) days from the date of first publication of the notice of liquidation, shall be opened by the Commissioner. Sealed packages containing the contents of such box, with a certificate of inventory of contents, together with any unclaimed property held by the association as bailee and certified inventories thereof, shall be held by the Commissioner and administered in accordance with the provisions of the Uniform Unclaimed Property Act ~~(1981)~~.

H. ~~Determination of Claims; Time Therefor; Notification.~~ The Commissioner shall:

1. Notify each person whose claim has not been allowed in full, by mailing to ~~his~~ the last-known address of such person, as shown on the records of the association, a notice of the time when and the place where the schedule of determinations will be available for inspection and the date when the Commissioner shall file the schedule in court;

2. As soon as practical and within one hundred twenty (120) days from the date of first publication of the notice of liquidation, determine the amount, if any, owing to each known creditor or depositor and the priority class of ~~his~~ such claim under subsection K of this section, and file such determination in the district court where notice of possession was filed; and

3. As soon as practical and within sixty (60) days from the date of filing, reject any claim if ~~he~~ the Commissioner doubts the validity thereof.

I. ~~Disposition of Contested Claims.~~ Within twenty (20) days after the filing of the schedule of determinations, any creditor, depositor or stockholder may file an objection to any determination which adversely affects such creditor, depositor or stockholder. Objections so filed shall be heard and determined by the court. The clerk of such district court, shall enter the objection upon the court docket under the case number assigned to the liquidation proceedings. The Commissioner and interested claimants as the court determines shall be notified of such objection not less than ten (10) days prior to the hearing on such objection. The matter shall be tried de novo. No person having a claim against an insolvent association shall maintain action thereon except as herein provided.

J. ~~Partial Distribution of Allowed Claims.~~ After filing the schedule of determinations and establishing proper reserves for the payment of costs, expenses of liquidation and disputed claims, the Commissioner shall pay to any agency of the United States insuring deposits in the insolvent association such sum as may be then available but not exceeding the amount paid out by such agency as such an insurer of deposits and accounts. The Commissioner from time to time may also make partial distribution to the holders of claims which are undisputed or which have been allowed by the district court, in the order of their priority as provided in subsection K of this section. The district court supervising the liquidation, as soon as practicable after the establishment of an adequate and proper reserve for payment of disputed claims, costs and expenses of liquidation, shall direct the Commissioner to make a substantial partial pro rata distribution that will not interfere with orderly liquidation, to the holders of undisputed claims and those allowed by the court in the order of their priority, to the extent that there remains only the determination and settlement of disputed claims and the procedures of the final accounting and final distribution to be made by the Commissioner as provided in this section.

K. ~~Priority of Claims; Payment; Cancellation; Claims When Barred.~~ 1. The following claims shall have priority in the order specified:

- a. obligations incurred by the Commissioner, fees and assessments due to the Oklahoma State Banking Department, and all expenses of liquidation, all of which may be covered by a proper reserve of funds,
- b. approved claims of depositors against the general liquidating account of the association,
- c. approved claims of general creditors against the general liquidating account of the association,
- d. claims otherwise proper which were not filed within the time prescribed by subsection F of this section, and
- e. claims of stockholders of the association.

2. No claim shall be entitled to interest thereon if it is paid within six (6) months after the first publication of notice of the liquidation by the Commissioner. If the claim is paid after such period, then the unpaid balance of the claim shall be credited with interest at the rate of six percent (6%) per annum for the expiration of the six (6) months until paid or finally canceled by exhaustion of all assets.

3. All distribution declared in accordance with subsection J of this section, which shall not be claimed within one (1) year, shall be canceled upon the order of the district court having jurisdiction of the liquidation of such insolvent association, and the proceeds thereof returned to the general liquidating account of the insolvent association. Provided, that notice of the application of the Commissioner to the district court for permission to cancel such unclaimed distributions shall be given by publication for two (2) successive weeks in a newspaper of general circulation in the county

where the ~~home~~ main office of the insolvent association is located. The notice shall describe the unclaimed distributions sought to be canceled, giving the name and location of the insolvent association, the name of the payee and the amount and shall recite the Commissioner has filed an application in the designated district court for cancellation of such distributions and shall refer to the application for further particulars; ~~and.~~

4. Any assets remaining after all partial distributions, after all claims have been paid, or ample provisions for reserves are made for payment thereof by the court, shall be distributed to the stockholders in accordance with their respective interests.

~~L. Disposition of Unclaimed Funds Other Than Distributions.~~ Unclaimed funds, other than unclaimed distributions, remaining after completion of the liquidation shall be retained by the Commissioner and administered in accordance with the Uniform Unclaimed Property Act (1981).

~~M. Monthly Reports; Quarterly Reports; Final Account; Release of Commissioner; Cancellation of Charter.~~ 1. During the liquidation procedure, the Commissioner and ~~his~~ the agents and employees of the Commissioner shall prepare ~~a verified monthly account~~ an annual report that details all receipts and disbursements made from assets in the ~~Commissioner's~~ Commissioner's possession of the Commissioner. A copy of the ~~monthly~~ annual report shall be filed with the district court of the county where the notice of taking possession was filed. ~~No hearing shall be held on such monthly report. Every three (3) months the Commissioner shall file a composite of three (3) monthly reports and a hearing shall be held thereon. The first quarterly report shall be filed three (3) months after the filing of the liquidation proceedings.~~ Interested parties and the board of directors of the insolvent association shall be given such notice of the hearing as the court directs and shall make such objections as they shall desire to the account. The failure to object at a ~~quarterly~~ hearing shall not prejudice the right of any claimant or interested party to object to items of expense and proceedings in the liquidation upon the final account.

2. When the assets have been distributed in accordance with this section, except unclaimed funds and contents of safe deposit boxes held by the Commissioner, the Commissioner shall file a final account with the court. Notice of hearing upon the final account shall be given, of not less than ten (10) days nor more than thirty (30) days prior to the date of the hearing, by registered or certified mail, to all interested persons and to the board of directors of the insolvent association and the notice shall be published for two (2) successive weeks in some newspaper of general circulation published in the county where the ~~home office of the~~ association is located, showing the nature of the hearing, the date and time of the hearing and that such account is for final settlement of the liquidating account of such insolvent association.

3. The final account shall reflect all the acts of the Commissioner as supported by ~~monthly reports, quarterly~~ annual reports and such necessary items to support the account, including distribution of such remaining cash to the stockholders in accordance with their interests and all other assets to the board of directors of the association as liquidating agents for the stockholders under the Oklahoma General Corporation Act.

4. The court shall hear all matters relating to the final account; allow, reduce or reject any item of expense; and determine all matters before it. Any person aggrieved by the judgment of the court may appeal as in any other civil action.

5. Upon approval of the final account by the court, the Commissioner shall be relieved of liability in connection with the liquidation and shall cancel the charter upon the records of the ~~State Banking~~ Department.

SECTION 78. AMENDATORY 18 O.S. 1991, Section 381.77, as amended by Section 70, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.77), is amended to read as follows:

Section 381.77 A. ~~Liquidation by the Federal Deposit Insurance Corporation (FDIC).~~ The FDIC Federal Deposit Insurance Corporation (FDIC) may act without bond as the liquidating agent of any ~~savings and loan~~ insured association closed by the State Banking Commissioner.

B. ~~Commissioner May Tender to FDIC as Liquidator.~~ The Commissioner, upon closing an insured association, may tender to the FDIC the appointment as liquidator of such ~~savings and loan~~ association.

C. ~~Appointment of FDIC as Liquidator; Acceptance.~~ Upon being notified in writing of the acceptance of such an appointment, the Commissioner shall immediately file in the office of the county clerk of the county where the ~~principal~~ main office of the insured association is situated a certificate evidencing the appointment of the FDIC as liquidator. Upon the filing of the certificate the possession of all the assets, business and property of such association of every kind and nature, wheresoever situated, shall be deemed transferred from such association and the Commissioner to the FDIC. Without the execution of any instruments of conveyance, assignment, transfer or endorsement, the title to all such assets and property shall be vested in the FDIC and the Commissioner thereafter shall be forever relieved from any and all responsibility and liability with respect to the liquidation of such association. With respect to a federal association, it shall be sufficient to file a certified copy of the resolution of the Director of the Office of Thrift Supervision appointing a receiver.

D. When the Director of the Office of Thrift Supervision, ~~the Resolution Trust Corporation~~ or FDIC transfers all real property, interests in real property, and liens on real property of a closed insured association or federal association, ~~collectively referred to for the purpose of this subsection as the "transferred property"~~ to a single existing association, federal association or bank or a newly chartered federal association, the Director of the Office of Thrift Supervision, Resolution Trust Corporation or FDIC shall file a memorandum of transfer or a memorandum of assignment so stating in the office of the county clerk of the county where real property records must be recorded with respect to the transferred property. The memorandum shall be executed by an authorized special representative of the Director of the Office of Thrift Supervision or of the Resolution Trust Corporation or FDIC and shall have attached to it certified copies of the resolutions of the Director of the Office of Thrift Supervision or of the Resolution Trust Corporation FDIC appointing and authorizing the special

representative and authorizing the transfer. In that event, regardless of whether the date of closing predates this statute, it shall not be necessary for the memorandum to describe the transferred property with specificity, nor shall it be necessary for any of the transferred property to be separately conveyed to the transferee association, federal association or bank by an additional instrument. Thereafter, when the transferee association, federal association or bank conveys, assigns, or releases any of the transferred property, such conveyances, assignments, and releases shall recite that the transferee association, federal association or bank is successor in title to the closed association as evidenced by the memorandum of transfer or the memorandum of assignment and shall further recite the date and county of filing and the book and page of recording the memorandum.

E. ~~Powers of FDIC as Liquidator; Individual Liability of Directors.~~ If the FDIC accepts the appointment as liquidator, it shall have and possess all the powers and privileges provided by the laws of this state with respect to the liquidation of an insured association and with respect to the depositors and other creditors of such an association and shall proceed in liquidation as if it were the Commissioner, and shall have the right and power, upon the order of a court of record of competent jurisdiction, to enforce the individual liability of the directors of any such association.

F. ~~Actions by Predecessor Federal Agencies.~~ To the extent that any action is required or permitted to be taken by the FDIC, ~~the Resolution Trust Corporation~~ or the Director of the Office of Thrift Supervision pursuant to the terms of this section, any similar action taken by the Federal Savings and Loan Insurance Corporation or the Federal Home Loan Bank Board as predecessor federal agencies, either prior to or subsequent to the effective date of this section, shall be equally legal and effective as if such action were taken by the FDIC, ~~the Resolution Trust Corporation~~ or the Director of the Office of Thrift Supervision pursuant to the authorization granted herein.

SECTION 79. AMENDATORY 18 O.S. 1991, Section 381.78, as amended by Section 71, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Section 381.78), is amended to read as follows:

Section 381.78 ~~Removal of Officer, Director or Employee by Commissioner.~~ Any officer, director or employee of a ~~state savings and loan~~ an association found by the State Banking Commissioner to be dishonest, reckless, unfit to participate in the conduct of the affairs of the association, or to have engaged or participated in any unsafe or unsound practice in connection with a ~~savings and loan~~ an association, or to be practicing a continuing disregard or violation of laws, rules, regulations or orders which are likely to cause substantial loss to the association or likely to seriously weaken the condition of the association shall be removed immediately from office by the board of directors of the association of which ~~he~~ such person is an officer, director or employee on the written order of the Commissioner. The association or officer, employee or director thereof, within ten (10) days of the date of the written order directing removal, may appeal such removal pursuant to the provisions of Section 207 of Title 6 of the Oklahoma Statutes. As soon as possible thereafter the Supreme Court shall review the order of the Commissioner and make such findings as it deems proper. During the pendency of the review of the protest against removal,

the officer, employee or director shall not perform any of the duties of ~~his~~ such office.

SECTION 80. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.79 of Title 18, unless there is created a duplication in numbering, reads as follows:

Any final order of the Commissioner issued under this act or rules promulgated under this act shall be appealable pursuant to the provisions and requirements of Section 207 of Title 6 of the Oklahoma Statutes.

SECTION 81. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.80 of Title 18, unless there is created a duplication in numbering, reads as follows:

A. Any person responsible for an act or omission or a criminal offense expressly declared to be unlawful by this act or rules promulgated under this act shall be guilty:

1. Of a misdemeanor punishable by imprisonment for a term not exceeding one (1) year or a fine not exceeding Fifty Thousand Dollars (\$50,000.00), or both; and

2. If the act or omission was intended to defraud, of a felony punishable by imprisonment not exceeding five (5) years or a fine not exceeding One Hundred Thousand Dollars (\$100,000.00), or both.

B. An officer, director, employee, agent or attorney of an association shall be responsible for an act or omission of the institution declared to be a criminal offense against this act whenever, knowing that such act or omission is unlawful, such person participates in authorizing, executing, ratifying or concealing such act, or in authorizing or ratifying such omission or, having a duty to take the required action, omits to do so. A director shall be deemed to participate in any action, of which the director has or should have had knowledge, taken or omitted to be taken by the board of which the director is a member unless the director dissents therefrom in writing and promptly notifies the Commissioner of such dissent.

C. It shall be a criminal offense against this act to violate any lawful order of the Commissioner. The Commissioner may refer evidence concerning violations of this act or of any rule or order hereunder to the Attorney General of the State of Oklahoma or to the district attorney for the county where a violation occurred in order that an information or indictment for such violations may be filed. The Attorney General or district attorney may designate and appoint a lawyer of the Oklahoma State Banking Department as special assistant, if available, for the purpose of assisting in or conducting criminal prosecutions arising because of the proceedings provided for in this section.

D. Unless otherwise provided in this act, it shall be no defense to a criminal prosecution under this act that the defendant did not know the facts establishing the criminal character of the act or omission charged if the defendant could and should have known such facts in the proper performance of such duty.

E. This section shall not apply to specific offenses for which criminal sanctions have been imposed in other sections of this act.

SECTION 82. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.81 of Title 18, unless there is created a duplication in numbering, reads as follows:

It shall be unlawful for an association to pay a fine or penalty imposed by law upon any other person or any judgment against such person or to reimburse directly or indirectly any person by whom such fine, penalty or judgment has been paid, except as otherwise provided in Section 1411 of Title 6 of the Oklahoma Statutes.

SECTION 83. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.82 of Title 18, unless there is created a duplication in numbering, reads as follows:

It shall be unlawful for an association to receive any deposit after it has been notified by its primary regulator that it is insolvent or for an officer, director or employee who knows or, in the proper performance of such duty should know of the notification of such insolvency, to receive or authorize the receipt of such deposit, if such deposit, when aggregated together with other funds held by the depositor in the same right and capacity, would exceed the limit of any federal deposit insurance coverage.

SECTION 84. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.83 of Title 18, unless there is created a duplication in numbering, reads as follows:

It shall be unlawful for any person to serve as an officer or director of an association who:

1. Has been convicted of an offense constituting, in the jurisdiction in which the conviction was rendered, a violation of the banking, savings institution or credit union laws or other felony involving dishonesty or a breach of trust; and

2. Is indebted to the bank for more than thirty (30) days based on a judgment that has become final.

SECTION 85. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.84 of Title 18, unless there is created a duplication in numbering, reads as follows:

It shall be a criminal offense for any officer, director, shareholder or employee of any association to directly or indirectly embezzle, abstract, or misapply, or cause to be embezzled, abstracted or misapplied any of the funds or securities or other property of or under the control of the association with intent to deceive, injure, cheat, wrong, or defraud any person or entity.

SECTION 86. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.85 of Title 18, unless there is created a duplication in numbering, reads as follows:

It shall be unlawful for any person to publish, utter, or circulate any false, malicious, or unprivileged statement or representation for the purpose of injuring any association

chartered, existing and doing business within the State of Oklahoma, under and by virtue of the laws of this state, or under and by virtue of the laws of the United States of America.

SECTION 87. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 381.86 of Title 18, unless there is created a duplication in numbering, reads as follows:

A. Whenever a violation of this act by an association or any officer, director or employee thereof is threatened or impending and will cause substantial injury to the institution or to the depositors, creditors, or stockholders thereof, the district court of the county in which the association is located shall, upon the suit of the State Banking Commissioner, issue an injunction restraining such violation.

B. Whenever any corporation, not authorized to carry on association business under this act, shall falsely act as an association, or shall use an artificial or corporate name implying it is a trust company, the district court of the county in which lawful service is obtained shall, upon suit of the Commissioner, issue an injunction restraining such act.

C. All orders of the Commissioner shall be enforced by the district court of the district of domicile of the person or persons to whom the order is directed.

SECTION 88. REPEALER 18 O.S. 1991, Sections 381.9, as amended by Section 33, Chapter 183, O.S.L. 1993, 381.35, 381.39, as amended by Section 5, Chapter 313, O.S.L. 1994, 381.40, as amended by Section 6, Chapter 313, O.S.L. 1994, 381.41 and 381.53, as amended by Section 54, Chapter 183, O.S.L. 1993 (18 O.S. Supp. 1999, Sections 381.9, 381.39, 381.40 and 381.53), are hereby repealed.

SECTION 89. This act shall become effective November 1, 2000.

Passed the House of Representatives the 11th day of April, 2000.

Speaker of the House of
Representatives

Passed the Senate the 3rd day of April, 2000.

President of the Senate