

CHAPTER 154.

[S. B. 17.]

CONVERSION OF BUILDING, LOAN AND SAVINGS ASSOCIATIONS INTO MUTUAL SAVINGS BANKS.

AN ACT permitting the conversion of building and loan and savings and loan associations and societies into mutual savings banks, prescribing the procedure therefor and declaring the effect thereof.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Any going building and loan or savings and loan association or society organized under the laws of this state, may, if its contingent fund regularly accumulated, exclusive of any reserve fund stock, amounts to not less than five thousand dollars (\$5,000.00), be converted into a mutual savings bank in the following manner:

(a) The board of directors of such association shall pass a resolution declaring their intention to convert the association into a mutual savings bank, and shall cause a copy thereof, certified by the secretary of the association, to be filed in the office of the state auditor, and a like copy to be delivered to the state bank examiner, and shall cause a copy thereof to be published once a week for four successive weeks in a newspaper to be designated by the state bank examiner, such publication to be commenced within thirty (30) days after such designation.

(b) Within ten (10) days after the date of the last publication of such resolution, the board of directors shall file with the state bank examiner proof of the publication thereof and of the filing of a copy with the state auditor, and shall apply to the state bank examiner for leave to submit to the shareholders of the association the question whether the same shall be converted into a mutual savings bank. Thereupon the state bank examiner shall make the same investigation and determine the same questions that he would be required by law to make and determine in case of the submission to him of a certificate of incorporation of a proposed new mutual savings bank, and he shall

Authority
for change.

Resolution
by board of
directors.

Publication.

Investiga-
tion by bank
examiner.

also determine, after conference with the state auditor, whether by the proposed conversion the business needs and conveniences of the shareholders of such association would be served with facility and safety: *Provided*, That if the association's contingent fund be five thousand dollars (\$5,000.00) or more, the applicants shall create an initial guaranty fund and an initial expense fund and shall also enter into such an agreement or undertaking with the state bank examiner as trustee for the depositors with the savings bank as he may require to make such further contributions in cash to the expense fund of such savings bank as may be necessary and as is required from the incorporators of mutual savings banks. The contingent fund of such building and loan or savings and loan association may be applied to the creation of such guaranty fund and expense fund. After the state bank examiner shall have satisfied himself by such investigation whether it is expedient and desirable to permit the proposed conversion, he shall, within sixty (60) days after the filing of said application, endorse thereon over his official signature the word "granted," or the word "refused," with the date of such endorsement, and shall immediately notify the secretary of such association of his decision. In case of refusal, said board of directors, or a majority of the members thereof, may, within thirty (30) days after receiving the notice of such refusal, appeal to a board of appeal composed of the governor, the attorney general and the state bank examiner, in the same manner and under the same procedure as that prescribed by law for an appeal to such board from the state bank examiner's refusal to permit the original organization of a mutual savings bank.

Decision of
examiner.

Board of
appeal.

(c) If such application be granted by the state bank examiner or by the board of appeal, as the case may be, the board of directors of such association shall, within sixty (60) days thereafter, submit the question of the proposed conversion to the shareholders of the association at a special meeting called for that purpose. Notice of

Submission
to vote of
shareholders.

Notice of
special
meeting.

such meeting shall be given in the manner prescribed by the by-laws of the association and also by the mailing of a copy of such notice to each shareholder at his last known postoffice address at least fifteen (15) days before the date of the meeting, and also by publication of such notice in ten (10) successive issues of a daily, or if there be no daily, then in two successive issues of a weekly newspaper published and of general circulation in the county wherein the principal office of such association is located, the last insertion to be not less than five (5) nor more than fifteen (15) days before the date of the meeting. Such notice shall state the time, place and purpose of the meeting, and that the only question to be voted upon will be, "shall the (naming the association) be converted into a mutual savings bank under the laws of the State of Washington?" The vote on said question shall be by ballot. Any shareholder may vote by proxy or may transmit his ballot by mail if the by-laws provide a method for so doing. If two-thirds (2-3) or more in number of the shareholders voting on the question vote affirmatively, then the board of directors shall have power, and it shall be their duty, to proceed to convert such association into a mutual savings bank; otherwise, the proposed conversion shall be abandoned and shall not be again submitted to the shareholders within three (3) years from the date of said meeting.

Necessary
vote to
authorize
conversion.

Certificate
of re-incor-
poration.

(d) If authority for the proposed conversion has been voted by the shareholders as hereinabove required, the directors shall, within thirty (30) days thereafter, subscribe and acknowledge and file with the state bank examiner in quadruplicate a certificate of re-incorporation, stating:

Contents.

(1) The name by which the converted corporation is to be known, which name shall include the words "mutual savings bank."

(2) The place where the bank is to be located and its business transacted, naming the city or town and county, which city or town shall be the same as that where the

principal place of business of the corporation has theretofore been located.

(3) The name, occupation, residence and postoffice address of each signer of the certificate.

(4) The amount of the assets of the corporation, the amount of its liabilities and the amount of its contingent fund as of the first day of the then calendar month, and if the contingent fund be less than ten thousand dollars (\$10,000.00), the amount which each signer has contributed in cash to the initial expense fund.

(5) A declaration that each signer will accept the responsibilities and faithfully discharge the duties of a trustee of the savings bank, and is free from all the disqualifications specified in the laws applicable to mutual savings banks.

(e) Upon the filing of said certificate in quadruplicate the state bank examiner shall, within thirty (30) days thereafter, if satisfied that all the provisions of this act have been complied with, issue in quadruplicate an authorization certificate stating that the corporation has complied with all the requirements of law, and that it has authority to transact at the place designated in its certificate of incorporation the business of a mutual savings bank. One of the examiner's quadruplicate certificates of authorization shall be attached to each of the quadruplicate certificates of re-incorporation, and one set of these shall be filed and retained by the state bank examiner, one set shall be filed in the office of the county auditor of the county in which such bank is located, one set shall be filed in the office of the secretary of state, and one set shall be transmitted to the bank for its files. Upon the receipt from the corporation of the same fees as are required for filing and recording other incorporation certificates or articles the county auditor and secretary of state shall file said certificates in their respective offices and the secretary of state shall record the same; whereupon the conversion of such association shall be deemed complete, and the signers of said re-incorporation certificate and their

Authoriza-
tion cer-
tificate.

Filing of
articles and
certificates.

Completion
of conver-
sion.

successors shall thereupon become and be a corporation having the powers and being subject to the duties and obligations prescribed by the laws of this state applicable to mutual savings banks, and the time of existence of such corporation shall continue for the period of fifty (50) years from the date of the filing of such certificate, unless sooner terminated pursuant to law.

Association
shareholder
becomes
bank
depositor.

SEC. 2. Upon the conversion of any association into a mutual savings bank, every person who was a shareholder of the association at the time of the conversion shall become and be deemed to be a depositor of the bank in a sum equal to the withdrawal value of his shares as of the day on which the conversion was consummated, and every such depositor shall share in the earnings of the corporation to that day as though the conversion had not been effected: *Provided, however,* That any person who was a shareholder shall be entitled at any time within sixty (60) days after the conversion was consummated to withdraw the value of his shares including his portion of the contingent fund as though no conversion had taken place, and in such case the value of the shares shall not be diminished by any fee, fine, forfeiture or penalty charged, imposed or incurred within one (1) year before the conversion or upon withdrawal.

Withdrawal
of share-
holders.

Return of
securities
held by state
auditor.

SEC. 3. All mortgages, notes and other securities of any association that has been converted into a mutual savings bank, shall on request of the bank, be delivered to it by the state auditor or under his direction by any trust company or other depositary having possession thereof. The continguent fund of the association shall become the guaranty fund of the bank; And every such bank shall, as soon as practicable and within such time and by such methods as the state bank examiner may direct, cause its organization, its securities and investments, the character of its business and its methods of transacting the same to conform to the laws applicable to mutual saving banks.

Guaranty
fund of bank.

Meaning of
terms
employed.

SEC. 4. In this act, unless repugnant to the context, the word "association" means "building and loan or sav-

ings and loan association or society;" the word "director" means one of the managing board of such a corporation; and the word "bank" means "mutual savings bank."

Passed the Senate February 1, 1917.

Passed the House March 6, 1917.

Approved by the Governor March 15, 1917.

CHAPTER 155.

[H. B. 271.]

AMENDMENT OF MOTOR VEHICLE ACT.

AN ACT relating to the use of the public highways, and the rights and remedies of persons thereon, and fixing penalties for a violation of the conditions imposed; and providing for the licensing of motor vehicles and the collecting of fees therefor; amending sections 2, 3, 4, 6, 8, 10, 11, 12, 13, 15, 16, 17, 18, 19, 21, 24, 30, 31 and 34 of chapter 142 of the Laws of 1915, and repealing section 2531 of Remington & Ballinger's Annotated Codes and Statutes of Washington, and all acts and parts of acts in conflict herewith.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. That section 2 of chapter 142 of the Laws of 1915 be amended to read as follows:

Section 2. The words and phrases herein used, unless Definitions. the same be clearly contrary to or inconsistent with the context of the act or section in which used, shall be construed as follows:

(1) "Motor vehicle" shall include all vehicles or machines propelled by any power other than muscular, used upon the public highways for the transportation of persons, freight, produce or any commodity, except traction engines temporarily upon the public highway, road rollers or road making machines, and motor vehicles that run upon rails or tracks; "Motor vehicle."

(2) "Automobile" shall mean the ordinary four wheeled motor vehicle, and shall be synonymous with the term "motor vehicle" except as otherwise herein provided; "Automobile."

(3) "Motor cycle" shall mean a motor vehicle of two or three wheels intended for the carrying of one, two or "Motor cycle."