

of such verdict as herein provided, the same shall be notice to all the world of the rendition thereof, and any person subsequently acquiring title to or a lien upon the real property of the party or parties against whom the verdict is returned shall be deemed to have acquired such title or lien with notice, and such title or lien shall be subject and inferior to any judgment afterwards entered on the verdict.

When entry becomes notice.

Subsequent liens subject to judgment on the verdict.

Passed the House February 4, 1927.

Passed the Senate February 16, 1927.

Approved by the Governor February 26, 1927.

CHAPTER 177.

[H. B. 194.]

CONVERSION OF BUILDING AND LOAN ASSOCIATIONS INTO MUTUAL SAVINGS BANKS.

AN ACT relating to the conversion of building and loan or savings and loan associations or societies into mutual savings banks amending Sections 1, 2 and 3 of chapter 154 of the Laws of 1917, the same being Sections 3749 to 3756, both inclusive, of Remington's Compiled Statutes, and Sections 407, 408 and 409 of Pierce's Code.

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

SECTION 1. Section 1 of chapter 154 of the Laws of 1917, being section 407 of Pierce's Code and sections 3749 to 3754, both inclusive, of Remington's Compiled Statutes, is amended to read as follows:

Statute amended.

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:

Authority to change.

Resolution
by board
of directors.

Application
to supervisor
of banking.

Copy of ap-
plication to
supervisor
of savings
and loan
associations.

Investigation
by banking
supervisor.

Supervisor's
decision.

Application
granted.

Expense
fund contri-
butions re-
quired.

(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 apply to the supervisor of banking for leave to submit to the shareholders of the association the question whether the same shall be converted into a mutual savings bank. A duplicate of the application to the supervisor of banking shall be filed with the supervisor of savings and loan associations.

(b) Thereupon the supervisor of banking shall make the same investigation and determine the same questions as 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 also determine after conference with the supervisor of savings and loan associations whether by the proposed conversion the business needs and conveniences of the shareholders of such association would be served with facility and safety. After the supervisor of banking 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: *Provided*, That if the application is granted the supervisor of banking shall require the applicants to enter into such an agreement or undertaking with him as trustee for the depositors with the savings bank to make such contributions in cash to the expense fund of the savings bank as in his judgment will be necessary then and from time to time thereafter to pay the operating expenses of the bank if its earnings should not be sufficient to pay the same in addition

to the payment of such dividends as may be declared and credited to depositors from its earnings.

In case of refusal, said board of directors, or a majority 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 supervisor of banking, in the same manner and under the same procedure as that prescribed by law for an appeal to such board from the supervisor of banking's refusal to permit the original organization of a mutual savings bank.

(c) If such application be granted by the supervisor of banking 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 such meeting shall be given in the manner prescribed by the by-laws of the association. 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.

(d) If authority for the proposed conversion has been voted by the shareholders as hereinabove

Application refused.

Board of appeal.

Submission to vote of shareholders.

Notice of meeting.

Contents of notice.

Votes necessary to authorize change.

Certificate of re-incorporation.

required, the directors shall, within thirty (30) days thereafter, subscribe and acknowledge and file with the supervisor of banking 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 post-office 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.

(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.

Certificate of authorization.

(e) Upon the filing of said certificate in quadruplicate the supervisor of banking 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 supervisor'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 supervisor of banking, one set shall be filed in the office of the county auditor of the county in which

Filing of certificates and articles.

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 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.

Conversion completed.

Period of existence.

SEC. 2. Section 2 of chapter 154 of the Laws of 1917, being section 408 of Pierce's Code and section 3755 of Remington's Compiled Statutes, is amended to read as follows:

Statute amended.

Section 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 as though no conversion had taken place.

Shareholder of association becomes bank depositor.

Shareholder may withdraw.

Statute
amended.

SEC. 3. Section 3 of chapter 154 of the Laws of 1917, being section 409 of Pierce's Code and section 3756 of Remington's Compiled Statutes, is amended to read as follows:

Securities
held by
supervisor of
savings and
loan associa-
tions re-
turned.

Section 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 supervisor of savings and loan associations or under his direction by any trust company or other depository having possession thereof. The contingent fund of the association shall become the guaranty fund of the bank. Every such bank shall, as soon as practicable and within such time and by such methods as the supervisor of banking 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 savings banks.

Guaranty
fund of
bank.

Passed the House February 1, 1927.

Passed the Senate February 16, 1927.

Approved by the Governor February 26, 1927.

CHAPTER 178.

[H. B. 195.]

MUTUAL SAVINGS BANKS.

AN ACT relating to mutual savings bank amending Section 3321 of Remington's Compiled Statutes, being Section 9 of Chapter 175 of the Laws of 1915.

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

Sec. 363,
Pierce's
Code; § 9,
ch. 175, L.
1915.
Guaranty
fund created
from earn-
ings.

SECTION 1. Section 3321 of Remington's Compiled Statutes is amended to read as follows:

Section 3321. When the portion of the guaranty fund created from earnings shall amount to not