

CHAPTER 100—S. F. No. 782

An act to amend Mason's Minnesota Statutes 1927, Section 7755, as amended by Chapter 369, Session Laws 1931, relating to building and loan associations.

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

Section 1. **Withdrawals.**—That Mason's Minnesota Statutes 1927, Section 7755, as amended by Chapter 369, Session Laws 1931, be amended so as to read as follows:

"Section 7755. The holder of unpledged shares may withdraw a part or all of the value thereof upon thirty days' written notice of his intentions so to do given to and duly filed with the Secretary of the association at any time, but the board of directors may waive such notice. Such notice of withdrawal shall not, however, make such shareholder a creditor of the association but his status shall be and remain that of a shareholder. Such shareholder, until paid, shall be entitled to dividends upon the sum requested to be withdrawn, to the extent of seventy-five per cent of the rate declared and credited upon other shares of the same class. The association shall use at least fifty per cent of its monthly receipts, which shall not include money borrowed, for the purpose of paying withdrawals; but not over fifty per cent of its monthly receipts shall be so used, unless otherwise determined by resolution of the board of directors. Whenever the proportion of receipts applicable to the demands of withdrawing members is not sufficient to pay all such demands within sixty days from the date of application for withdrawal, such application shall be paid out of funds available as hereinafter set forth and shall be liquidated as follows: The applicant first on the list will receive twenty-five per cent of the amount of his application for withdrawal, but in no case less than Two Hundred Dollars, nor more than One Thousand Dollars, on account, if the funds are available as hereinafter set forth, or if the amount of his application is for less than Two Hundred Dollars, and funds to pay the same are available as hereinafter set forth, his application shall be liquidated in full. For any balance remaining due to the applicant after the aforesaid payment, the application shall be transferred at once to the bottom of the withdrawal list, and no further payments shall be made to said applicant, except as hereinafter set forth, until the said applicant's name has again found its way to the head of the withdrawal list. The second applicant shall be treated in exactly the same manner, and so on. All new applicants shall be placed at the bottom of the list, immediately upon the filing of their respective applications. This method of paying withdrawals shall become obligatory upon all associations upon the passage of this act; and the withdrawal list as then existing in each association shall be

liquidated from that date as provided in this act. In addition to the above, out of the remainder of its monthly receipts the association may use its discretion in meeting on demand at all times all applications for withdrawals by members whose entire interest in the association amounts to less than one hundred dollars; and may further, in its discretion, pay the sum of not more than one hundred dollars, per month, to any applicant on the withdrawal list; provided that such payments of one hundred dollars per month shall be made only when emergent circumstances justify the same and only after a thorough investigation of each application has been made. The board of directors shall have full authority to prescribe such rules as may in its discretion be suitable to prevent shareholders from making any simulated or purported transfer of shares in order to expedite their withdrawals, and all rules thus made shall be binding on the members of the association. Whenever the total of applications for withdrawal exceeds sixty per cent of the accumulated capital of any association, the Commissioner of Banks, if he believes that the condition of the association justifies such an order, may direct that the payment of withdrawals as above provided be discontinued, and that thereafter all withdrawals from said association be paid on a pro rata basis, from time to time, to all persons appearing on the withdrawal list of said association. Said distribution to be made to all persons actually on the withdrawal list on a date not less than ten days previous to the day on which the pro rata distribution checks are issued."

Approved March 20, 1933.

CHAPTER 101—S. F. No. 783

An act authorizing banks, savings banks, trust companies, insurance companies, and building and loan associations to become members of and to borrow money from and to invest in the stock and securities of the Federal Home Loan Bank System or of any other financial agency created by any act of Congress.

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

Section 1. **Definitions.**—For the purpose of this act the term "corporation" shall be construed to mean any bank, savings bank, trust company, insurance company, or building and loan association organized under the laws of this State; and the term "agency" shall be construed to mean the Federal Home Loan Bank of the district of which this State is a part, or of an adjoining district if convenience shall so require, or other financial corporation, association or agency created by any Act of Congress.