

after such distribution shall be at least equal to the aggregate of its liabilities and of its stated capital as so reduced. If any *such* distribution is made in violation hereof, the directors and shareholders shall be liable to the corporation to the extent, in the manner, and subject to the conditions and limitations stated in section 301.23.

Subd. 4. Resolution, when adopted. A resolution reducing the stated capital of a corporation may be adopted at a *shareholders'* meeting at which an amendment of its articles is adopted, and such reduction may be conditioned upon such amendment becoming effective; and in such event such reduction shall not become effective until articles of amendment shall have been duly filed for record, as provided in section 301.37, and then only upon the filing for record of articles of reduction with the secretary of state, as provided in subdivision 2.

Subd. 5. Stated capital, minimum amount. The stated capital of a corporation shall never be reduced to an amount less than *the par value of all shares remaining outstanding which have a par value nor to an amount less than \$1,000.*

Approved March 20, 1951.

CHAPTER 99—H. F. No. 512

[Coded as Sections 49.42 to 49.46]

An act relating to the conversion, merger, and consolidation of national and state banks and trust companies.

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

[49.42] **Section 1. State bank.** As used in this act "state bank" means any bank (other than a mutual savings bank), trust company, or bank and trust company which is now or may hereafter be organized under the laws of this state.

[49.43] **Sec. 2. State bank; conversion, merger, consolidation; national banking association.** A state bank may convert into a national banking association or merge or con-

solidate with one or more national banking associations under the charter of one of such national banking associations as permitted by any law of the United States without approval of any authority of this state, upon the affirmative vote, at a meeting of stockholders called for that purpose, of the holders of not less than two-thirds of the voting power of all stockholders of such state bank entitled under the articles of incorporation to vote. Any stockholder not voting in favor of such conversion or merger or consolidation at such meeting may, at that meeting or within 20 days thereafter, object to the conversion, merger, or consolidation and demand payment for his stock at the par value or the book value thereof, whichever shall be the greater. If the conversion, merger or consolidation takes effect at any time after this demand and the resulting national bank has not made payment to him in the amount demanded, the stockholder may, at any time within 60 days thereafter, apply to the district court in the county wherein is situated the principal place of business of the national banking association into which the state bank has been converted or with which it has merged or consolidated for the appointment of three persons to appraise the value of his stock. The court shall thereupon appoint these appraisers and designate the time and place of their first meeting, with such directions in regard to their proceedings as shall be deemed proper and also direct the time and manner in which payment shall be made of the value of his stock to the stockholder. The appraisers shall meet at the time and place designated and, after being duly sworn to discharge their duties honestly and faithfully, make and certify a written estimate of the value of the stock at the time of the appraisal and deliver one copy to the national banking association and another to the stockholder. The charges and expenses of the appraisers shall be paid one-half by the stockholder and one-half by the national banking association. When the national banking association shall have paid the appraised value of the stock, the stock shall be cancelled and the stockholder shall cease to be a member of the national banking association or to have any interest in the stock or in the corporation or in the corporate property and the stock may be held and disposed of by the national banking association for its own benefit. In lieu of the rights given a dissenting stockholder by this section, he may exercise any rights given him by applicable law of the United States.

[49.44] Sec. 3. National banking association; conversion, merger, consolidation; state bank. A national banking association which is located in this state and which has taken the corporate action required therefor by the laws of the

United States may convert into a state bank upon complying with the provisions applicable to the organization of a state bank except as herein otherwise provided. In such case the certificate of incorporation and the application for a certificate authorizing the proposed bank to transact business shall be executed by a majority of the directors of the national banking association and in addition thereto there shall be filed with the application a copy of the plan of conversion and a certificate signed by the president and the cashier of the national banking association setting forth the corporate action taken by the national banking association authorizing the conversion. The department of commerce may, at its discretion, dispense with notice and hearing provided in Section 45.04, Minnesota Statutes 1949, if the granting of the certificate of authority will not increase the number of banks in the community affected. No certificate of deposit of an amount equal to the capital stock of the proposed bank shall be required but the president and the cashier of the national banking association shall certify to the commissioner of banks that the association has a paid in and unimpaired capital not less than that specified in the certificate of incorporation of the proposed bank. Upon the conversion of a national banking association into a state bank as herein provided, the corporate existence of the national banking association shall be merged into that of the state bank and all and singular its rights, privileges and franchises and its right, title and interest in and to all property of whatsoever kind, whether real, personal or mixed, and all things in action and every right, privilege, interest, or asset of conceivable value or benefit then existing which would inure to it under an unconverted existence shall be deemed fully and finally transferred to and vested in the state bank without further act or deed and the state bank shall have and hold the same in its own right as fully as the same was possessed and held by the national banking association from which it was by operation hereof transferred. Its rights, obligations and relations to any person, creditor, depositor, trustee or beneficiary of any trust shall remain unimpaired and the state bank into which it shall have been converted shall succeed to these relations, obligations, trusts and liabilities and shall execute and perform all such trusts in the same manner as though it had itself assumed the relation or trust or incurred the obligation or liability and its liabilities and obligations to creditors existing for any cause shall not be impaired by the conversion, nor shall any obligation or liability of any stockholder of the national banking association be affected by such conversion; but these obligations and liabilities shall continue as fully and to the

same effect as existed before the conversion. The state bank shall become without further act or deed the successor of the national banking association in any and all fiduciary capacities in which the national banking association may be acting at the time of the conversion and shall be liable to all beneficiaries as fully as if the national banking association had continued its existence as such. If the national banking association shall be nominated or appointed or shall have been nominated or appointed as executor, guardian, administrator, agent or trustee, or in any other trust relation or fiduciary capacity in any will, trust agreement, trust conveyance or any other conveyance, order or judgment of any court or any other instrument prior to the conversion, even though the will or other instrument shall not become operative or effective until after the conversion shall have become effective, every such office, trust relationship, fiduciary capacity, and all of the rights, powers, privileges, duties, discretions and responsibilities so provided to devolve upon, vest in, or inure to the national banking association so nominated or appointed shall fully and in every respect devolve upon, vest in, and inure to and be exercised by the state bank into which the national banking association shall have been converted.

[49.45] Sec. 4. **Manner of merger or consolidation.** One or more national banking associations which are located in this state and which have taken the corporate action required therefor by the laws of the United States may merge or consolidate with a state bank or banks. Such merger or consolidation shall be effected in the manner provided in Sections 49.35 to 49.41, Minnesota Statutes 1949, and governed by the provisions thereof except that the name of the consolidated corporation shall not contain the word "national" and except that the rights of dissenting stockholders of the national banking associations shall be those prescribed in such cases by the laws of the United States.

[49.46] Sec. 5. **State bank, retention of assets permitted.** The commissioner of banks, in his discretion and subject to such conditions as he may prescribe, may permit a state bank resulting from a conversion, merger or consolidation of a national banking association to retain and carry at a valuation determined by him, such of the assets of such national banking association as do not conform to the legal requirements relative to assets acquired and held by state banks.
Approved March 20, 1951.