

issued common stock, the requirement of notice to and vote of stockholders shall not apply. Such preferred stock may be convertible into common stock, upon such terms and conditions as may be provided in the Charter or Articles of Incorporation, or any amendment thereto, with the approval of the Bank Commissioner, except that no such right to convert shall permit the conversion of preferred stock into common stock of an aggregate par value greater in amount than the aggregate par value of the preferred stock which is so convertible, and except that no such right to convert shall permit the conversion of preferred stock into common stock unless at the time or times of any such conversion, the banking institution shall have surplus funds at least equal to 20% of the capital stock outstanding at the time of such conversion and of the capital stock to be outstanding after such conversion. Such amendments, certified by the President or Cashier, or Treasurer, shall be executed, approved, filed and recorded as required for Articles of Incorporation. Except as otherwise provided in this Article, no preferred stock issued under this Article shall be valid until there shall have been paid in the amount of the purchase price to be received by such banking institution for such stock, which shall be in amount equal to or in excess of the par value thereof.

The holders of such preferred stock shall be entitled to cumulative dividends at a rate not exceeding six per centum per annum, on the par value thereof and shall have such voting rights, and such stock shall be subject to retirement in such manner and on such terms and conditions as may be provided in the Charter or Articles of Incorporation, or in any amendment thereto, with the approval of the Bank Commissioner, and said preferred stock may, subject to such approval, be retired, in whole or in part, out of any surplus in excess of 20% of the capital stock of the institution issuing same, provided that the capital stock shall at no time be less than the amount required under the provisions of this Article.

No dividends shall be declared or paid on common stock until the cumulative dividends on the preferred stock shall have been paid in full; and, if the banking association is placed in voluntary or involuntary liquidation or a conservator or a receiver is appointed therefor, no payment shall be made to the holders of the common stock until the holders of the preferred stock shall have been paid in full the amount required to be paid to such holders of the preferred stock in the event of such liquidation as fixed in the Articles of Incorporation of such banking institution, or in any amendment thereto, and which amount shall not be in excess of such purchase price of such preferred stock, or be less than the par value thereof, and until there shall have been paid to such holders, in addition, an amount equal to all dividends on such preferred stock which shall have accumulated and which shall remain unpaid.

The term "common stock" as used in this section means stock of a banking institution other than the preferred stock issued under the provisions of this section. The term "capital stock" as used in this Article shall mean the amount of common stock plus the amount of preferred stock outstanding.

An. Code, 1924, sec. 54B. 1933, ch. 485, sec. 54B. 1935, ch. 519.

**70.** Any banking institution may at any time, with the approval of the Bank Commissioner, issue, sell or hypothecate its capital notes, debentures, bonds or certificates of beneficial interest, which may be payable upon such terms, and may bear such rate of interest, if any, as may be