

PART IV. CAPITAL STRUCTURE OF ASSOCIATIONS -- CAPITAL STOCK ASSOCIATION.

9-319. POWER TO ISSUE CAPITAL STOCK.

IF ITS CHARTER PROVIDES, A SAVINGS AND LOAN ASSOCIATION MAY ISSUE CAPITAL STOCK.

COMMITTEE COMMENT: This section replaces former CA § 6-213(a).

The former restriction that permitted only one class of stock was deleted as being too restrictive.

"Capital stock" and "savings and loan association" are defined in § 9-101 of this title.

9-320. GENERAL PROVISIONS.

A CAPITAL STOCK ASSOCIATION:

(1) SHALL OBTAIN THE PRIOR WRITTEN APPROVAL OF THE DIVISION DIRECTOR FOR EACH PROSPECTUS, OFFERING CIRCULAR, OR ADVERTISEMENT OFFERING CAPITAL STOCK FOR SALE OR SUBSCRIPTION;

(2) SHALL INCLUDE IN EACH PROSPECTUS OFFERING CAPITAL STOCK A STATEMENT THAT SHARES OF CAPITAL STOCK ARE NOT INSURED BY THE MARYLAND SAVINGS-SHARE INSURANCE CORPORATION OR THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION;

(3) EXCEPT FOR STOCK ISSUED UNDER A PLAN OF CONSOLIDATION, MERGER, OR REORGANIZATION APPROVED UNDER § 9-628 OF THIS TITLE, SHALL REQUIRE THAT THE CONSIDERATION FOR ITS CAPITAL STOCK BE PAID IN CASH AND IN AN AMOUNT NOT LESS THAN THE PAR VALUE OF THE STOCK;

(4) MAY ISSUE STOCK OPTIONS UNDER A STOCK OPTION PLAN APPROVED BY THE DIVISION DIRECTOR;

(5) MAY NOT GRANT ANY LOAN WHICH IS SECURED IN WHOLE OR IN PART BY SHARES OF ITS CAPITAL STOCK; AND

(6) UNLESS THE DIVISION DIRECTOR HAS GIVEN PRIOR WRITTEN APPROVAL, MAY NOT REPURCHASE SHARES OF CAPITAL STOCK FOR ITS OWN ACCOUNT.

COMMITTEE COMMENT: This section replaces former CA §§ 6-213(c)(2) and (4), 6-214(b)(6), and 6-215.

"Capital stock", "capital stock association" and "Division Director" are defined in § 9-101 of this title.

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