

(7) AN INDEPENDENT EVALUATION OF THE CONVERTING ASSOCIATION'S PRO FORMA MARKET VALUE AS CONVERTED TO SUPPORT THE OFFERING OF STOCK TO THE CONVERTING ASSOCIATION'S MEMBERS;

(8) THE BUSINESS PURPOSES TO BE ACCOMPLISHED BY THE CONVERSION;

(9) THE MANNER IN WHICH CAPITAL STOCK IN THE CONVERTED ASSOCIATION WILL BE SOLD AND DISTRIBUTED; AND

(10) A STATEMENT THAT CAPITAL STOCK IS NOT INSURED.

COMMITTEE COMMENT: This section replaces former CA § 6-217(c).

Throughout this section, the term "converting" or "converted" was substituted for the former term "mutual" where appropriate.

Items (4) and (5) of this section are new provisions added to protect the interests of members in a converting association.

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

9-604. REVIEW BY DIVISION DIRECTOR.

THE DIVISION DIRECTOR:

(1) SHALL REVIEW AN APPLICATION FOR CONVERSION TO A CAPITAL STOCK ASSOCIATION;

(2) SHALL DETERMINE:

(I) WHETHER THE PLAN IS FAIR TO THE MEMBERS OF THE CONVERTING ASSOCIATION; AND

(II) THAT INSURANCE OF THE SAVINGS ACCOUNTS WILL REMAIN IN EFFECT AFTER THE CONVERSION; AND

(3) MAY REQUIRE ANY CHANGES THAT ARE NECESSARY TO ENSURE FULL DISCLOSURE OF ALL MATERIAL FACTS.

COMMITTEE COMMENT: This section replaces former CA § 6-217(d)(1).

In item (2)(i) of this section, "converting" was substituted for "mutual".

In item (3) of this section, the phrase "require any changes ... necessary" was substituted for "require such changes in the materials submitted in support of the application as are necessary" as having the same meaning.