

COMMITTEE COMMENT: This section replaces former CA §§ 6-224(a) and 6-225.

In this section, "transfer of assets" is added as applying also to a savings bank. Former CA § 6-225 did not expressly include authority to transfer assets. However, a transfer of assets is by definition part of a statutory merger for which there is express authority.

Note that former CA § 6-225, which provided authority for a savings and loan association to merge with a "savings institution" (savings bank) incorrectly restated the prior law as to authority granted by the legislature. Former CA § 6-225 indicates that it is a revision of former Art. 23, § 161U(b); however, subsection (b) of former Art. 23, § 161U had provided only for the appeal procedure. The main provision of former Art. 23, § 161U had been subsection (a) which had provided for the authority of a savings and loan association to merge, consolidate, or transfer assets to an "incorporated association of this State", which clearly meant only another savings and loan association, as the defined term is used in this title.

Although Art. 11, § 51 provides authority to a "savings institution" (savings bank) to merge or consolidate with, among other things, a savings and loan association, no express authority had been given by the legislature to a savings and loan association to merge or consolidate, with the Division Director approval, with anything other than another savings and loan association.

See also § 9-630(b) of this subtitle, where the notice provisions of the plan filing apply to "each savings and loan associatin named in the plan".

On the advice of the Board of Commissioners that the resulting authority after restatement has already been acted on and that this provision is sometimes needed, this revision retains the provisions of former CA § 6-225.

The phrase in former CA § 6-224(a), "Subject to the provisions of this section" was deleted as included in the provisional "if".

As to item (1) of this section, the reference in former CA § 6-224 to Title 2 of the Corporations and Associations Article is corrected here to be Title 3, which deals with Extraordinary Actions.

---