

and upon such terms and conditions as approved solely by the Fund Director;

(2) The consideration for the issuance of a net worth certificate may consist of one or more of money, bond anticipation notes, or other obligations of this State or any other form of consideration approved by the Fund Director;

(3) A net worth certificate may provide for the payment of dividends and for redemption in such amounts, at such times and upon such terms and conditions as approved by the Fund Director;

(4) A net worth certificate may be convertible into stock of a capital stock association;

(5) The right and claim of any holder of a net worth certificate has priority over any claim or right arising out of any other equity interest in the savings and loan association in the event of a conservatorship, receivership, liquidation, or reorganization, subject to the prior payment of all savings liabilities, savings share accounts, savings deposit accounts, and debt obligations;

(6) During any period in which a capital stock association has any net worth certificate outstanding, it may not pay any dividend or make a distribution of any nature with respect to any capital stock of the association or repurchase or redeem any capital stock;

(7) During any period in which a savings and loan association has any net worth certificate outstanding, the Secretary of Licensing and Regulation may:

(i) Increase the number of directors of the savings and loan association by any number and appoint directors to fill any newly created directorship;

(ii) Fix the compensation of and remove, without cause, any and all directors, officers, or employees of the savings and loan association and appoint successors to fill any vacancy that exists; and

(iii) Subject to prior approval by the Governor and without obtaining the recommendation of the board of directors or the approval of the stockholders or members of the association, sell, transfer, or assign all or substantially all of the assets of the association or merge or consolidate the association with or into any other association or corporation, on such terms as the Secretary directs; and

(8) Net worth certificates shall be deemed to be capital of the issuing association for all statutory, regulatory and accounting purposes.