

(2) Existing savings share accounts in the association become savings deposit accounts;

(3) The conversion, for the purpose of computing interest on its savings accounts, shall be considered to have taken place on the immediately preceding regular distribution date if the effective date of the conversion to a deposit association is made on a date other than the date on which an association regularly distributes dividends; and

(4) The holder of any outstanding right to receive from the association a savings share account shall receive instead a savings deposit account.

9-317, 9-318. Reserved.

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.

9-320. General provision.

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] DEPOSIT Insurance FUND 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] 9-623 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.

9-321. Future issuance of capital stock.