

(2) That [the] ALL savings accounts will remain insured;

(3) That each savings account holder shall receive, without payment, nontransferable subscription rights to capital stock in the converted association;

(4) The number of shares of stock that will be sold;

(5) That subscription rights shall be on a basis pro rata to the member's interest in the mutual association, however, fractional shares need not be issued;

(6) That the conversion to a capital stock association does not result in any reduction of the converting association's reserves and net worth;

(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;
AND

(11) THAT ALL EARNED SURPLUS SHALL BE DISTRIBUTED TO MEMBERS ON A BASIS PRO RATA TO THE MEMBER'S INTEREST IN THE MUTUAL ASSOCIATION. HOWEVER, PRIOR TO SUCH A DISTRIBUTION, THERE SHALL BE SET ASIDE SUFFICIENT EARNED SURPLUS IN ORDER TO INSURE SATISFYING THE REQUIREMENTS OF §§ 9-218, 9-219, 9-220, 9-221 AND 9-324 OF THIS ARTICLE.

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 THE GENERAL PUBLIC; [and]

(ii) That insurance of the savings accounts will remain in effect after the conversion; [and]

(III) THAT, AFTER CONVERSION, THE ASSOCIATION WILL BE IN SOUND FINANCIAL CONDITION AND WILL BE SOUNDLY MANAGED;