

In this section "savings and loan association" means a savings and loan association organized under this title as a mutual association.

(b) VOLUNTARY CONVERSION TO CAPITAL STOCK ASSOCIATION.

Notwithstanding any other provision of this title, the Division Director may approve the voluntary conversion of a savings and loan association to a capital stock association and the sale of the association's newly issued capital stock to a third party or parties in a transaction in which the association members have no rights of approval or participation and no rights to the continuance of any legal or beneficial ownership interest in the converted association if the circumstances of the conversion and sale would, under federal law, permit the Federal Home Loan Bank Board to authorize a voluntary supervisory stock conversion.

(c) CONDITIONS FOR CONVERSION APPROVAL.

The Division Director may approve a voluntary supervisory stock conversion only if:

(1) The Division Director determines that:

(i) The [Board of Commissioners] DIVISION DIRECTOR would have grounds to seek the appointment of a conservator or receiver under this title;

(ii) No equity value would be realized by the savings and loan association's mutual account holders after liquidation of the association;

(iii) Severe financial conditions exist that threaten the financial stability of the savings and loan association;

(iv) The conversion to a capital stock form is likely to improve the financial condition of the savings and loan association;

(v) The association will be viable after the conversion; and

(vi) The approval of the conversion is not detrimental to the public interest; and

(2) The approval imposes the same conditions that federal law requires or permits.

(d) REGULATIONS.

(1) The [Board of Commissioners] DIVISION DIRECTOR may adopt rules and regulations for a voluntary supervisory stock conversion, including: