

# HOUSE . . . . No. 999

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By Mr. Rosenfeld of Milford, petition of Harold M. Linsky for legislation to clarify the powers of The Co-operative Central Bank. Banks and Banking.

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## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Thirty-Eight.

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### AN ACT CLARIFYING THE POWERS OF THE CO-OPERATIVE CENTRAL BANK.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter seventy-three of the acts of  
2 nineteen hundred and thirty-four is hereby amended  
3 by striking out section nine and inserting in place  
4 thereof the following:—

5 *Section 9.* Whenever the corporation shall deter-  
6 mine that the fund is no longer needed for the pro-  
7 tection of the shareholders in the member co-opera-  
8 tive banks, it may, by a vote of four fifths of all the  
9 members of the corporation at a meeting duly called  
10 and held for this special purpose, dissolve the fund  
11 prior to the termination of the life of the corporation  
12 as provided in section one of said chapter forty-five;  
13 and if it be so voted to dissolve, the corporation shall  
14 proceed to liquidate the Share Insurance Fund and  
15 to distribute the proceeds to the member banks as

16 speedily as may be. Upon such dissolution and liqui-  
17 dation, and upon the termination as aforesaid of the  
18 life of the corporation, the corporation shall proceed  
19 to distribute the proceeds of the fund, after the pay-  
20 ment of all expenses and obligations of the fund, to  
21 the member banks in proportion to the assessments  
22 paid by them thereinto.

1 SECTION 2. Chapter seventy-three of said acts is  
2 hereby further amended by inserting after section ten  
3 the following new section:—

4 *Section 10A.* Nothing contained in this act shall  
5 be construed as prohibiting any co-operative bank  
6 from insuring its shares or accounts with any agency  
7 or corporation established under federal law for such  
8 purpose, provided that if any such insurance is ob-  
9 tained by any co-operative bank, it shall be in addi-  
10 tion to and apart from the insurance of shares provided  
11 by this chapter.