

By Mr. McGee of Lynn, petition of Thomas W. McGee relative to distributions upon liquidation of the Share Insurance Fund by the Cooperative Central Bank. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO DISTRIBUTIONS UPON LIQUIDATION OF THE SHARE INSURANCE FUND BY THE COOPERATIVE 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 nine of chapter seventy-three of the acts of nineteen
2 hundred and thirty-four, as amended by section eight of chapter
3 three hundred and twenty-three of the acts of nineteen hundred
4 and fifty-six, as amended by section twenty-five of chapter four
5 hundred and five of the acts of nineteen hundred and eighty-five,
6 is hereby amended by striking out the seventh sentence, as so
7 appearing, and inserting in place thereof the following: —

8 Upon any such vote to dissolve and liquidate any portion of
9 the Share Insurance Fund, the corporation shall allocate the
10 portion of the fund so voted for distribution to the member banks
11 and former member banks in the following order of priority: First,
12 the amount not previously repaid of the original assessment
13 referred to in section one and of special assessments referred to
14 in section one paid by the member banks and former member
15 banks shall be allocated pro rata among such banks; Second, the
16 amount not previously repaid of all annual assessments paid by
17 the member banks and former member banks under section one
18 shall be allocated pro rata among such banks; and Third, the
19 balance, if any, of the portion of the fund voted for distribution
20 shall be allocated pro rata among the member banks and former
21 member banks based upon their total amounts of assessments paid
22 into said fund. For the purposes of this section, a "member bank"
23 shall mean any bank which is a member of the Share Insurance

24 Fund at the time of the vote to dissolve and to liquidate all or
25 a portion of the Share Insurance Fund under this section, and
26 a "former member bank" shall mean any bank which was a
27 member of the Share Insurance Fund at any time prior to, but
28 which is not a member at the time of, the vote to dissolve and
29 liquidate all or a portion of the Share Insurance Fund under this
30 section. Within a period of not more than twelve months after
31 the vote to dissolve and liquidate all or a portion of the Share
32 Insurance Fund under this section, the monies allocated to a
33 member bank shall be paid to such bank and the monies allocated
34 to a former member bank shall be paid to the successor bank of
35 such former member bank. For the purposes of this section, a
36 "successor bank" shall mean: (i) the successor of a former member
37 bank which has merged or consolidated with one or more savings
38 banks, as defined in section one of chapter one hundred and sixty-
39 eight of the General Laws, thrift institutions, as defined in section
40 twenty-six B of chapter one hundred and seventy of the General
41 Laws, state-chartered or federally-chartered stock corporations, as
42 defined in section twenty-six D of said chapter one hundred and seventy,
43 or stock banks, as defined in section twenty-six E of said chapter
44 one hundred and seventy or any predecessor statute; and (ii) the
45 successor of a former member bank which has converted to a
46 federal charter under section twenty-eight of said chapter one
47 hundred and seventy or any predecessor statute. The amount of
48 monies allocated under this section to a former member bank
49 which has converted to a federal charter shall not be limited by
50 the provisions of said section twenty-eight. The corporation shall
51 not enter into any agreement with any member bank or former
52 member bank which has the effect of reducing the amount of
53 distributions to which such bank or banks would be entitled under
54 this section, and any such agreement entered into with any
55 member bank or former member bank prior to the effective date
56 of this act shall be null and void.