



**Rules of
Department of Commerce and
Insurance**

**Division 1140—Division of Finance
Chapter 24—Miscellaneous Association Rules**

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 1140—Division of Finance
Chapter 24—Miscellaneous Association
Rules**

20 CSR 1140-24.010 Deposit Associations

PURPOSE: This rule provides that all rules of the Division of Finance apply to deposit associations as well as share type associations.

All provisions of all rules shall apply to deposit associations as fully and to the same effect as though each rule and each provision thereof made specific reference to deposit account associations.

*AUTHORITY: section 369.299, RSMo 1994. * This rule originally filed as 4 CSR 260-12.010. This rule previously filed as 4 CSR 140-24.010. Original rule filed Sept. 28, 1971, effective Oct. 8, 1971. Changed to 4 CSR 140-24.010, effective July 6, 1994. Amended: Filed Nov. 8, 1994, effective March 30, 1995. Moved to 20 CSR 1140-24.010, effective Aug. 28, 2006.*

**Original authority: 369.299, RSMo 1971, amended 1994.*

20 CSR 1140-24.020 Emergencies

PURPOSE: This rule defines emergencies, requires actions to be taken in anticipation of emergencies and provides for authority in emergencies.

(1) The following events are determined to be emergencies for the purposes of Chapter 369, RSMo (1986) and this rule:

(A) National emergencies declared by the President of the United States or person lawfully acting as President;

(B) Nuclear, atomic or other attack on the United States or any of its territories;

(C) Civil disobedience, riot or similar action occurring in any county in which an association has an office, which action necessitates the invocation of the military powers of the United States or of the state of Missouri to suppress such activity;

(D) Fire, flood, earthquake, storm or similar act of God, and the reasonable possibility of the occurrence of such event, or power failure or fuel shortage affecting any office of an association, or riot or robbery, which event occurs in the immediate vicinity of any office of an association; or

(E) A labor strike, work slowdown or illness substantially affecting the manpower of any office of any association.

(2) Each association shall determine by provision in its bylaws, subject to the prior approval of the director, a line of succession for officers of the association which shall apply in any emergency, under which provision persons holding specified positions within the association shall be empowered to act for the chief executive officer of the association during the absence of the officer.

(3) Each association shall in its bylaws empower the chief executive officer or person acting in his/her place to act in an emergency exercising his/her best judgment under the circumstances to protect the assets of the association and to close any office or facility of the association as s/he deems necessary in such emergency. The provision may provide for indemnification of the person so acting from personal liability, including legal fees, under these conditions as the board of directors may establish.

(4) The following authority is granted in an emergency:

(A) The chief executive officer or person acting in his/her place during an emergency shall notify the director of the division, as soon as possible, of the nature and extent of the emergency and shall cause the members of the board of directors to be notified of the emergency in a manner as may be required by resolution of the board or order of the director of the division; and

(B) The director of the division may, on oral request of the chief executive or person acting in his/her place, suspend or modify the requirements of any law of the state, regulation of the division or provision of the charter or bylaws of the association, whether that suspension or modification is requested prior to or after the association has been rendered practically incapable of complying with such requirement in the judgment of the director. The director shall notify the board of directors of the association in writing of any such suspension or modification granted and of the effective time.

(5) At the end of the emergency or at such earlier time as the director may require, the chief executive officer or person acting in his/her capacity shall report to the director and to the board of directors in writing the nature of the emergency, the actions taken and the loss of or damage to any assets of the association caused by the emergency.

(6) No officer, director or employee acting during an emergency in his/her best judgment under reasonable reliance on the provisions of this rule shall be liable for those actions except for willful misconduct.

*AUTHORITY: sections 369.139 and 369.299, RSMo 1994. * This rule originally filed as 4 CSR 260-12.020. This rule previously filed as 4 CSR 140-24.020. Original rule filed Sept. 28, 1971, effective Oct. 8, 1971. Rescinded and readopted: July 14, 1978, effective Nov. 13, 1978. Changed to 4 CSR 140-24.020, effective July 6, 1994. Moved to 20 CSR 1140-24.020, effective Aug. 28, 2006.*

**Original authority: 369.139, RSMo 1971, amended 1994 and 369.299, RSMo 1971, amended 1994.*

20 CSR 1140-24.030 Conversion from Federal to State Association

PURPOSE: This rule establishes the procedure by which a federally chartered association may convert to a state-chartered association.

(1) Any federal association desiring to convert into an association under the laws of this state shall file an application containing the following information and additional information as may be required by the director

(A) Certificate of the secretary under the seal of the federal association containing all requirements of section 369.074, RSMo together with two (2) copies of the Articles of Incorporation and of the proposed bylaws;

(B) The name the federal association proposes to use as a state association;

(C) The date of the last supervisory examination together with a copy of the report of the examination;

(D) A copy of its latest financial statements; and

(E) The plan of conversion which shall expressly provide for—

1. Appropriate reserves and all other required equity accounts;

2. Satisfaction in full or assumption by the state association of all creditor obligations of the federal association; and

3. Issuance by the state association of its savings accounts to the holders of withdrawable accounts of the federal association in an amount equal to the value of their accounts.

(2) Upon issuance of the Articles of Incorporation by the secretary of state, the converting association shall carry out promptly the plan of conversion as set forth in the application, reporting to the director



when the plan of conversion has been carried out.

AUTHORITY: section 369.299, RSMo 1994. This rule originally filed as 4 CSR 260-12.030. This rule previously filed as 4 CSR 140-24.030. Original rule filed Sept. 28, 1971, effective Oct. 8, 1971. Changed to 4 CSR 140-24.030, effective July 6, 1994. Moved to 20 CSR 1140-24.030, effective Aug. 28, 2006*

**Original authority: 369.299, RSMo 1971, amended 1994.*

20 CSR 1140-24.050 Examination Charges

PURPOSE: This rule states what the per-diem examination charge is for each examiner participating in an examination of a savings and loan association.

An association shall pay for each annual or special examination by state examiners of the Division of Finance, a per-diem charge for each state examiner participating in the examination. Examination per-diem charges and the effective date shall be determined and adopted by the Savings and Loan Commission. Payment of examination charges shall be made to the director of revenue and sent to the Division of Finance.

AUTHORITY: section 369.299, RSMo 1994. This rule originally filed as 4 CSR 260-12.050. This rule previously filed as 4 CSR 140-24.050. Original rule filed Dec. 22, 1975, effective Dec. 31, 1975. Amended: Filed Aug. 15, 1983, effective Nov. 11, 1983. Amended: Filed Nov. 4, 1986, effective Jan. 30, 1987. Amended: Filed Aug. 3, 1988, effective Nov. 1, 1988. Changed to 4 CSR 140-24.050, effective July 6, 1994. Amended: Filed Nov. 8, 1994, effective March 30, 1995. Moved to 20 CSR 1140-24.050, effective Aug. 28, 2006.*

**Original authority: 369.299, RSMo 1971, amended 1994.*

20 CSR 1140-24.080 Conversion to a Federal Mutual Holding Company

PURPOSE: This rule allows for the reorganization of a mutual association to a federal mutual holding company and a state capital stock association.

(1) Upon prior written approval of the director of the Division of Finance, a mutual savings and loan association organized pursuant

to Chapter 369, RSMo, may reorganize to become a federal mutual holding company with a Missouri chartered stock association subsidiary. In connection with a reorganization under this chapter, a mutual association may charter an interim stock association to facilitate the corporate reorganization. The majority of stock of the interim association is to be owned, except as otherwise provided in this section, by the mutual savings association. The mutual association may transfer a substantial part of its assets and liabilities, including all of its insured liabilities, to the interim savings and loan association.

(A) The director of the Division of Finance may adopt the provisions of section 369.079(11), RSMo regarding the formation of an interim association to facilitate the chartering of an association and promote the timely consummation of the proposed reorganization.

(B) If the petition is approved, the director of the Division of Finance shall certify his/her approval of the petition in writing to the secretary of state along with the incorporation fee and two (2) copies of the Articles of Incorporation. The secretary of state shall then issue the Certificate of Incorporation.

(C) Criteria for approval, organization and operation of an interim association may be established by the director of the Division of Finance.

(2) Persons having ownership rights in the mutual savings and loan association shall have the same ownership rights with respect to the mutual holding company. Holders of savings, demand or other accounts of a savings and loan association incorporated as part of a transaction described in section (1) or acquired by the federal mutual holding company shall also have the same ownership rights with respect to the federal mutual holding company.

(3) Applications for the reorganization to a federal mutual holding company shall be filed with the Division of Finance. The applicant's plan of reorganization shall comply with the requirements of the Office of Thrift Supervision and the Federal Deposit Insurance Corporation for the formation of a federally chartered mutual holding company.

(4) No savings association subsidiary of a mutual holding company may issue stock to persons other than its mutual holding company parent in connection with a mutual holding company reorganization, or at any time subsequent to the association's acquisition by the mutual holding company, unless the association obtains advance approval of each

issuance from the director of the Division of Finance. The director may require compliance with provisions of section 369.078(2), RSMo and 4 CSR 140-28.010 as s/he shall deem appropriate in connection with that stock issuance. The aggregate amount of outstanding common stock of the association owned or controlled by persons other than the association's mutual holding company parent at the close of the proposed issuance shall be less than fifty percent (50%) of the association's total outstanding common stock.

AUTHORITY: section 369.299(2), RSMo 1994. This rule originally filed as 4 CSR 260-12.080. This rule previously filed as 4 CSR 140-24.080. Original rule filed May 13, 1993, effective Oct. 10, 1993. Changed to 4 CSR 140-24.080, effective July 6, 1994. Amended: Filed Nov. 8, 1994, effective March 30, 1995. Moved to 20 CSR 1140-24.080, effective Aug. 28, 2006.*

**Original authority: 369.299(2), RSMo 1971, amended 1994.*

20 CSR 1140-24.090 Sale of Association Assets

PURPOSE: This rule permits an association to sell all or substantially all of its assets to a bank or trust company.

An association may sell or transfer in bulk, and not in the regular and usual course of its business, all or substantially all of its assets, including its name and goodwill, to a bank or trust company. No such sale or transfer shall occur, however, without the prior approval of the director of the Division of Finance.

AUTHORITY: sections 362.105.3, 369.089, 369.299(2) and 369.144(7), RSMo 1994. This rule originally filed as 4 CSR 140-24.090. Emergency rule filed Sept. 21, 1994, effective Oct. 1, 1994, expired Jan. 28, 1995. Original rule filed Sept. 21, 1994, effective Feb. 26, 1995. Moved to 20 CSR 1140-24.090, effective Aug. 28, 2006.*

**Original authority: 362.105.3, RSMo 1939, amended 1949, 1963, 1965, 1967, 1977, 1983, 1986, 1990, 1991, 1992, 1994; 369.089, RSMo 1971, amended 1982, 1994; 369.144(7), RSMo 1971, amended 1982, 1983, 1984, 1989, 1994; and 369.299(2), RSMo 1971, amended 1994.*