

No. 114

AN ACT

Authorizing directors of building and loan associations to pro rate, or, with the approval of the Department of Banking, to fix the maximum amount of withdrawals and maturities; and applying retroactively.

Building and Loan Associations.

Directors authorized to pro rate or fix amount of payments on withdrawals or maturities.

Withdrawals and maturities prior to action by directors.

Emergency measure.

When effective.

Section 1. Be it enacted, &c., That the board of directors of a building and loan association may, at any time, with respect to shares which have been or shall be voluntarily withdrawn or matured prior to the third day of July, one thousand nine hundred thirty-three, and which are unpaid, authorize payment on a pro rata basis, or, with the consent of the Department of Banking, fix a maximum amount to be paid periodically on such shares, whether such shares were voluntarily withdrawn or matured before the effective date of this act or after such date. The action of the board of directors in authorizing payment to be made on a pro rata basis, or in fixing a maximum amount to be paid periodically, shall also apply to shares which were voluntarily withdrawn or matured prior to, or which are still unpaid on, the date upon which such action was taken by the board of directors.

Section 2. This act is an emergency measure under the police power of the Commonwealth.

Section 3. This act shall be effective immediately upon its approval by the Governor.

APPROVED—The 15th day of May, A. D. 1933.

GIFFORD PINCHOT

No. 115

AN ACT

Limiting the period within which non-assenting or dissenting shareholders of building and loan associations, which have merged and consolidated, or which shall merge and consolidate, prior to the third day of July, one thousand nine hundred thirty-three, may enforce their rights.

Building and Loan Associations.

Merger and consolidation.

Rights of non-assenting or dissenting shareholders limited.

Section 1. Be it enacted, &c., That where a building and loan association has, or shall become, a party to an agreement of merger and consolidation prior to the third day of July, one thousand nine hundred thirty-three, any shareholder of such association, who has voted against, or who has not voted for or against, such merger and consolidation at the meeting of shareholders at which the merger and consolidation was adopted, shall be forever barred from exercising any rights which he shall have as a non-assenting or as a dissenting shareholder, whether at law or in equity, unless he shall commence, or shall have commenced, proceedings, at law or

in equity, to enforce such rights either within six months after the effective date of this act, or within six months after the date upon which the merger and consolidation has, or shall become, effective.

Section 2. This act shall not be construed (1) to lengthen the period within which a shareholder who has objected to, and voted against, a merger and consolidation may, under section five of the act, approved the third day of May, one thousand nine hundred nine (Pamphlet Laws, four hundred eight), entitled "An act authorizing the merger and consolidation of certain corporations," petition the court of common pleas to appoint appraisers to estimate and appraise the damages, if any, done to him by the merger and consolidation, nor (2) to affect any right which a shareholder of either or any of the merging or consolidating associations, who has voted against, or who has not voted for or against, the merger and consolidation may have in the building and loan association resulting from the merger and consolidation.

Section 3. This act shall be effective immediately upon its approval by the Governor.

APPROVED—The 15th day of May, A. D. 1933.

GIFFORD PINCHOT

No. 116

AN ACT

Providing for the reduction by a building and loan association, with the approval of the Department of Banking and upon order of the court of common pleas, of its liability to shareholders; applying to building and loan associations whether or not in possession of the Secretary of Banking.

Section 1. Be it enacted, &c., That whenever the losses of any building and loan association, resulting from a depreciation of its securities or otherwise, exceed its accumulated profits and its reserve for contingent losses, so that the fair value of its assets is less than the total amount due its creditors and shareholders, the court of common pleas of the county in which the place of business of the association is located may, upon the petition of the association, approved by a majority of all its directors and by the Department of Banking, order a reduction of its liability to its shareholders, in such manner as to distribute the loss equitably among such shareholders. Such petition shall be advertised at least once in a newspaper of general circulation published in the county in which the association has its place of business.

Section 2. The provision of this act shall likewise apply to any building and loan association, the business

Applicability
of act.

When effective.

Building
and Loan
Associations.

Reduction of
liability to
shareholders.

Procedure.

Associations
in hands of
Secretary of
Banking.