

No. 416, S.]

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CHAPTER 261.

AN ACT to amend 186.17, 186.18 and 186.24 (1) of the statutes, relating to cooperative credit associations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. Section 186.17 of the statutes is amended to read:

186.17 Immediately before the payment of each dividend, there shall be set apart as a guaranty fund *at least* 20 per cent of the net income which has accumulated during the fiscal year until such fund equals 10 per cent of the total assets *provided however that when said guaranty fund is less than 10 per cent of the total assets, the banking commission may in its discretion increase the amount of net income proportioned to this reserve and may order the transfer of any reserves and undivided earnings to the said guaranty fund.* Said fund and the investments thereof shall belong to the corporation and shall be held to meet contingencies or losses in its business. Whenever said fund falls below 10 per cent of the assets aforesaid, it shall be replenished by regular appropriations * * * *in such amounts and in such percentages as the banking commission shall order until such fund shall again equal 10 per cent of the total assets. Upon recommendation of the board of directors, the members at an annual meeting may increase the proportion of profits to be set apart as a guaranty fund.*

SECTION 2. Section 186.18 of the statutes is amended to read:

186.18 At any meeting specially called to consider the subject, the members, upon the unanimous recommendation of the board of directors, may vote to dissolve the corporation, provided at least two-thirds of the members are present at such meeting, and provided not more than 10 members, either in person or by written notice, object thereto. A committee of 3 shall thereupon be elected to liquidate the assets of the corporation, and each share of the capital stock, according to the amount paid in thereon, shall be entitled to its proportion of the proceeds after all debts of the corporation have been paid. *The committee in charge of liquidation shall have the power and author-*

ity to sell or dispose of the assets in whole or in part at a public or private sale subject to confirmation by the board of directors and the banking department.

SECTION 3. Subsection (1) of section 186.24 of the statutes is amended to read:

(186.24) (1) Whenever the banking commission is of the opinion that the loaning, investing, or other policies and practices of any officer, director, or committeeman of any credit union have been prejudicial to the best interest of such credit union or its investors, or that such policies or practices, if put into operation or continued, will endanger the safety or solvency of said credit union or impair the interest of its investors, the banking commission may, * * * request the removal of such officer, director, or committeeman. Such request shall be served on the credit union and on such officer, director, or committeeman in the manner provided by law for serving a summons in a court of record, or shall be transmitted to the credit union and the officer, director, or committeeman by registered mail, with return receipt requested. *Such request shall specify the reasons for the removal of such officer, director, or committeeman, and also shall advise such officer, director, or committeeman, relative to his rights to a hearing before the advisory committee as provided in this section. A copy of such request for removal shall be transmitted to each member of the advisory committee at the same time such request is being served upon the credit union and officer, director, or committeeman involved.* If such request for removal is not complied with within a reasonable time fixed by the commission, it may by order, with like approval of the advisory committee remove such officer, director, or committeeman, but no order for removal shall be entered until after an opportunity for a hearing before the advisory committee is given such officer, director, or committeeman upon not less than 10 days' notice. An order for removal shall take effect as of the date issued.

Approved June 18, 1941.