

CHAPTER 35

MERGERS, CONSOLIDATIONS AND ACQUISITIONS

§351. Applicability of chapter; fees

1. Applicability. The provisions of this chapter govern mergers and consolidations undertaken by financial institutions and industrial banks subject to the laws of this State and must set forth the procedures for and limitations on the acquisition of all or substantially all of the assets of such institutions by another institution.

[PL 1997, c. 398, Pt. G, §1 (AMD).]

2. Fees. An application made pursuant to sections 352, 353, 354, 354-A, 355 and 355-A may not be deemed complete by the superintendent unless accompanied by an application fee of \$2,500, payable to the Treasurer of State, to be credited and used as provided in section 214.

[PL 1997, c. 398, Pt. G, §1 (AMD).]

3. Superintendent's approval required. Following approval by the governing body of each participating institution, the plan of merger, consolidation, purchase or assumption, together with certified copies of the authorizing resolutions adopted by the governing body of each participating institution, must be forwarded to the superintendent for approval or disapproval pursuant to section 252. If the superintendent disapproves the plan, the superintendent shall state the reason or reasons for the disapproval in writing and furnish them to the participating institutions. The institutions must be given an opportunity to amend the plan to obviate the reasons for disapproval.

[PL 2007, c. 79, §8 (AMD).]

3-A. Superintendent's approval not required. Notwithstanding subsection 3, if the surviving institution of a merger, consolidation, purchase or assumption is a federally chartered institution and the transaction is subject to approval by its federal regulator, approval by the superintendent is not required. The financial institution shall notify and provide the superintendent a copy of the application filed with the appropriate federal regulator within 3 days of filing with the federal regulator. The Maine charter of the participating financial institution terminates automatically upon completion of the merger, consolidation, purchase or assumption.

[PL 2021, c. 508, §4 (AMD).]

4. Vote of investors or mutual voters. The plan of merger or consolidation, as approved by the superintendent, must be submitted to the investors or mutual voters of the participating institutions for their approval at an annual meeting or at a special meeting called for that purpose in the following manner.

A. Notice of such a meeting must be published at least once a week for 3 successive weeks in at least one newspaper of general circulation in the county or counties where each participating institution's principal office is located or in other newspapers as the superintendent may designate. The notice must be mailed to each investor of record or mutual voter at the address on the books of each participating institution at least 15 days prior to the date of the meeting. [PL 1997, c. 398, Pt. G, §1 (NEW).]

B. A 2/3 vote of each class of investor or a 2/3 vote of the mutual voters of each participating institution is necessary to approve the plan of merger or consolidation at the meeting called for this purpose. The vote constitutes the adoption of the organizational documents of the resulting institution, including amendments, contained in the merger or consolidation agreement. [PL 1997, c. 398, Pt. G, §1 (NEW).]

Notice and meeting are not required under this subsection if investors or mutual voters unanimously approve the plan of merger or consolidation.

[PL 2021, c. 508, §5 (AMD).]

5. Executed plan; certificate; effective date. The following provisions apply to the executed plan, certificate and effective date.

A. Upon approval by the investors or mutual voters of the participating institutions, the chief executive officer, president or vice-president of each institution shall submit the executed plan of merger or consolidation to the superintendent, together with evidence of approval by the investors or mutual voters approving it, each certified by these officers. [PL 2021, c. 508, §6 (AMD).]

B. Upon receipt of the items in paragraph A and evidence that the participating institutions have complied with all applicable federal law and regulations, the superintendent shall issue to the resulting institution a certificate specifying the name of each participating institution and the name of the resulting institution and shall file a copy of the certificate and the certified votes with the Secretary of State for record. This certificate is conclusive evidence of the merger or consolidation and of the correctness of all proceedings relating to the merger or consolidation in all courts and places. The certificate may be filed in any office for the recording of deeds to evidence the new name in which property of the participating institutions is to be held. [PL 1997, c. 398, Pt. G, §1 (NEW).]

C. Unless a later date is specified in the certificate, the merger or consolidation is effective upon issuance of the certificate in paragraph B and the charters of all but the resulting institution terminate automatically. [PL 1997, c. 398, Pt. G, §1 (NEW).]

D. Any plan of merger or consolidation may contain a provision that, notwithstanding approval of the investors, mutual voters or the superintendent, the plan may be abandoned at any time prior to the effective date of the merger or consolidation by the governing body of any participating institution either at the absolute discretion of the governing body or upon the occurrence of any stated condition. [PL 1997, c. 398, Pt. G, §1 (NEW).]

[PL 2021, c. 508, §6 (AMD).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1983, c. 201, §4 (AMD). PL 1997, c. 398, §G1 (AMD). PL 2007, c. 79, §§8, 9 (AMD). PL 2021, c. 508, §§4-6 (AMD).

§352. Mergers and consolidations; investor-owned institutions

Any 2 or more investor-owned institutions authorized to do business in this State may merge or consolidate into one investor-owned institution organized under the laws of this State in accordance with the procedures, and subject to the conditions and limitations, set forth in this section. [PL 1997, c. 398, Pt. G, §2 (AMD).]

1. Adoption of plan. The governing body of each participating institution shall adopt, by a majority vote or higher if required by its organizational documents, a plan of merger or consolidation on such terms as mutually agreed upon. The plan must include:

A. The names of the participating institutions and their locations; [PL 1975, c. 500, §1 (NEW).]

B. [PL 1997, c. 398, Pt. G, §2 (RP).]

C. With respect to the resulting institution: the name and location of its principal office, branch offices and facilities; the name, address and occupation of each director who is to serve until the next annual meeting of the investors; the name and address of each officer; the amount of capital, the number and the par value of each class of equity interest; and the amendments required to be made to the institution's organizational documents; [PL 1997, c. 398, Pt. G, §2 (AMD).]

D. Provisions governing the manner and basis of converting the equity interests of the participating institutions into equity interests or other securities of the resulting institution and, if any equity interests of any of the participating institutions are not to be converted solely into equity interests or other securities of the resulting institution, provisions governing the amount of cash, property, rights or securities of any other institution or corporation that is to be paid or delivered to the holders of the equity interests in exchange for or upon surrender of the equity interests. The cash, property, rights or securities of any other institution or corporation may be in addition to or in lieu of the equity interests or securities of the resulting institution; [PL 1997, c. 398, Pt. G, §2 (AMD).]

E. A statement that the agreement is subject to approval of the superintendent and of the investors of each participating institution; [PL 1997, c. 398, Pt. G, §2 (AMD).]

F. Provisions, if applicable, governing the manner of disposing of equity interests of the resulting institution not taken by dissenting investors of the participating institutions; and [PL 1997, c. 398, Pt. G, §2 (AMD).]

G. The anticipated effective date of such merger or consolidation; and such other provisions and details as may be necessary to perfect the merger or consolidation or as may be required by the superintendent. [PL 1997, c. 398, Pt. G, §2 (AMD).]

[PL 1997, c. 398, Pt. G, §2 (AMD).]

2. Superintendent's approval.

[PL 1997, c. 398, Pt. G, §2 (RP).]

2-A. Superintendent's approval. The superintendent shall approve the plan of merger or consolidation in accordance with section 351, subsection 3.

[PL 1997, c. 398, Pt. G, §2 (NEW).]

3. Vote of investors. The plan of merger or consolidation, as approved by the superintendent, must be submitted to the investors of the participating institutions for their approval at an annual meeting, or at a special meeting called for that purpose, in accordance with section 351, subsection 4 and the following provisions.

Notice required pursuant to section 351, subsection 4 must state that dissenting investors will be entitled to payment only for the value of those equity interests that are voted against approval of the plan. Published notice may be waived if written waivers are received from the holders of 2/3 of the outstanding voting equity interests of each class stock of each participating institution.

Notice and meeting are not required under this subsection if investors unanimously approve the plan.

A. [PL 1997, c. 398, Pt. G, §2 (RP).]

B. [PL 1997, c. 398, Pt. G, §2 (RP).]

[PL 2021, c. 508, §7 (AMD).]

4. Executed plan; certificate; effective date. The executed plan certificate and effective date must be in accordance with section 351, subsection 5.

A. [PL 1997, c. 398, Pt. G, §2 (RP).]

B. [PL 1997, c. 398, Pt. G, §2 (RP).]

C. [PL 1997, c. 398, Pt. G, §2 (RP).]

[PL 1997, c. 398, Pt. G, §2 (AMD).]

5. Rights of dissenting investors. The rights of investors dissenting to the merger or consolidation are those specified in Title 13-C or Title 31, chapter 15, 19 or 21, depending upon the organizational form of the institution. To the extent that dissenters' rights are not addressed in Title 31 or these rights are less beneficial to the dissenting investors than those rights listed in the institution's organizational documents, the organizational documents govern.

- A. [PL 1997, c. 398, Pt. G, §2 (RP).]
 - B. [PL 1997, c. 398, Pt. G, §2 (RP).]
 - C. [PL 1997, c. 398, Pt. G, §2 (RP).]
 - D. [PL 1997, c. 398, Pt. G, §2 (RP).]
- [PL 2009, c. 629, Pt. A, §3 (AFF); PL 2009, c. 629, Pt. B, §4 (AMD).]

6. Federally chartered institution as participant. If one of the parties to a merger or consolidation is a federally chartered investor-owned institution, the participants shall comply with all requirements imposed by federal law for such merger or consolidation in addition to the requirements contained in this Title and shall provide evidence of such compliance to the superintendent as a condition precedent to the issuance of a certificate in section 351, subsection 5 relating to such merger or consolidation. The rights of dissenting investors in such federally chartered institutions are governed by federal law.

[PL 1997, c. 398, Pt. G, §2 (AMD).]

7. Merger of investor-owned institution with national bank.

A. Nothing contained in the law of this State restricts the right of a financial institution organized under chapter 31 to merge or consolidate into a resulting national bank. The action to be taken by the investor-owned institution and its rights and liabilities and those of its investors are the same as those prescribed for national banks at the time of the action by the law of the United States and not by the law of this State, except that a vote of the holders of 2/3 of each class of equity interest of an investor-owned institution is required for the merger or consolidation and that, on merger or consolidation into a national bank, the rights of dissenting investors are those specified in federal law for national banks. [PL 1997, c. 398, Pt. G, §2 (AMD).]

B. Upon the completion of the merger or consolidation, the franchise of the participating investor-owned institution terminates automatically. [PL 1997, c. 398, Pt. G, §2 (AMD).]

[PL 1997, c. 398, Pt. G, §2 (AMD).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1985, c. 529 (AMD). PL 1997, c. 398, §G2 (AMD). PL 1997, c. 683, §A1 (AMD). RR 2001, c. 2, §B12 (COR). RR 2001, c. 2, §B58 (AFF). PL 2005, c. 543, §D4 (AMD). PL 2005, c. 543, §D18 (AFF). PL 2009, c. 629, Pt. A, §3 (AFF). PL 2009, c. 629, Pt. B, §4 (AMD). PL 2021, c. 508, §7 (AMD).

§353. Mergers and consolidations; mutual financial institutions

Any 2 or more mutual financial institutions authorized to do business in this State may merge or consolidate into one mutual financial institution organized under chapter 32 in accordance with the procedures and subject to the conditions and limitations set forth in this section. [PL 1997, c. 398, Pt. G, §3 (AMD).]

1. Adoption of plan. The governing body of each participating institution shall adopt, by a majority vote or higher if required by its organizational documents, a plan of merger or consolidation on such terms as are mutually agreed upon. The plan must include:

- A. The names of the participating institutions and their locations; [PL 1975, c. 500, §1 (NEW).]
- B. [PL 1997, c. 398, Pt. G, §3 (RP).]
- C. With respect to the resulting institution, the name and location of its principal office, branch offices and facilities; the name, address and occupation of each director who is to serve until the next annual meeting of the mutual voters; and the name and address of each officer; [PL 1997, c. 398, Pt. G, §3 (AMD).]

D. The mode for carrying the plan into effect and the proposed effective date; [PL 1997, c. 398, Pt. G, §3 (AMD).]

E. The manner of converting deposits, accounts or shares of such institutions into deposits, accounts or shares of the resulting institution; [PL 1997, c. 398, Pt. G, §3 (AMD).]

F. A statement that the agreement is subject to the approval of the superintendent and of the mutual voters of each participating institution; and [PL 1997, c. 398, Pt. G, §3 (AMD).]

G. Such other provisions and details as may be necessary to perfect the merger or consolidation or as may be required by the superintendent. [PL 1997, c. 398, Pt. G, §3 (AMD).]
[PL 1997, c. 398, Pt. G, §3 (AMD).]

2. Superintendent's approval.

[PL 1997, c. 398, Pt. G, §3 (RP).]

2-A. Superintendent's approval. The superintendent shall approve the plan of merger or consolidation in accordance with section 351, subsection 3.

[PL 1997, c. 398, Pt. G, §3 (NEW).]

3. Vote of mutual voters. The plan of merger or consolidation, as approved by the superintendent, must be submitted to the mutual voters of the participating institutions for their approval at an annual meeting, or at a special meeting called for that purpose, in accordance with section 351, subsection 4 and with the following requirements.

A. Copies of the notice required under section 351, subsection 4, paragraph A, must be posted in a conspicuous place in all offices of the participating institutions, at least 15 days prior to the meeting. [PL 1997, c. 398, Pt. G, §3 (AMD).]

B. Any mutual voter not present at the meeting in person must be regarded as having affirmatively voted for the merger or consolidation and be counted among the required 2/3 vote if notice of this fact is contained in the published and mailed notices and if this notice was mailed to the mutual voter as required in section 351, subsection 4, paragraph A. [PL 1997, c. 398, Pt. G, §3 (AMD).]

C. [PL 1997, c. 398, Pt. G, §3 (RP).]

Notice and meeting are not required under this subsection if mutual voters unanimously approve the plan.

[PL 2021, c. 508, §8 (AMD).]

4. Executed plan; certificate; effective date. The executed plan, certificate and effective date must be in accordance with section 351, subsection 5.

A. [PL 1997, c. 398, Pt. G, §3 (RP).]

B. [PL 1997, c. 398, Pt. G, §3 (RP).]

C. [PL 1997, c. 398, Pt. G, §3 (RP).]

[PL 1997, c. 398, Pt. G, §3 (AMD).]

5. Federally-chartered institution as participant. If one of the parties to a merger or consolidation is a federally chartered mutual financial institution, the participants shall comply with all requirements imposed by federal law for such merger or consolidation and provide evidence of such compliance to the superintendent as a condition precedent to the issuance of a certificate in section 351, subsection 5 relating to such merger or consolidation.

[PL 1997, c. 398, Pt. G, §3 (AMD).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1997, c. 398, §G3 (AMD). PL 2021, c. 508, §8 (AMD).

§354. Mergers and consolidations; investor-owned and mutual financial institutions

1. Resulting mutual financial institution. An investor-owned financial institution may be merged into or consolidated with a mutual financial institution organized under the laws of this State in accordance with the procedures and subject to the conditions and limitations set forth in this subsection.

A. The acquiring mutual financial institution shall comply with the requirements of section 353, subsections 1 to 4, except that the plan of merger or consolidation must state the amount that institution will pay for the equity interests in the investor-owned institution to be acquired and additional information the superintendent considers appropriate. [PL 1997, c. 398, Pt. G, §4 (AMD).]

B. [PL 1997, c. 22, §10 (RP).]

C. [PL 1997, c. 22, §10 (RP).]

D. [PL 1997, c. 22, §10 (RP).]

E. The investor-owned institution to be acquired shall comply with section 352, subsections 1 to 6. [PL 1997, c. 398, Pt. G, §4 (AMD).]

F. Sections 357 and 358 apply to mergers or consolidations made pursuant to this section. [PL 1997, c. 398, Pt. G, §4 (AMD).]
[PL 1997, c. 398, Pt. G, §4 (AMD).]

2. Resulting investor-owned institution. Except as the superintendent may authorize pursuant to section 354-A, a mutual financial institution may not merge into an investor-owned institution organized under the laws of this State without prior compliance with section 344 and all rules adopted under that section. In accordance with section 1054, subsection 3, paragraph B, a mutual holding company may acquire a mutual financial institution or mutual federal association through merger into a subsidiary universal bank or an interim subsidiary universal bank of the mutual holding company without prior compliance with section 344 and all rules adopted under that section.
[PL 2021, c. 5, §1 (AMD).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1997, c. 22, §10 (AMD). PL 1997, c. 398, §G4 (AMD). PL 2021, c. 5, §1 (AMD).

§354-A. Authority for expedited mergers and consolidations

Notwithstanding any other provision of law, or any organizational document of any participating institution, following approval of the plan of merger or consolidation by a majority vote of the governing body of each participating institution and receipt by the superintendent of certified copies of the authorizing resolutions adopted by the governing body of each participating institution, the superintendent may order that the merger or consolidation become effective immediately if the superintendent believes that the action is necessary for the protection of depositors or the public. Any person aggrieved by a merger or consolidation pursuant to this section is entitled to judicial review of the superintendent's order in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter VII. [PL 1997, c. 398, Pt. G, §5 (AMD).]

SECTION HISTORY

PL 1981, c. 539, §2 (NEW). PL 1997, c. 398, §G5 (AMD).

§355. Acquisition of assets; assumption of liabilities

A financial institution organized under the laws of this State may acquire the assets of, or assume the liabilities of, any other financial institution authorized to do business in this State, in accordance with the procedures and subject to the conditions and limitations set forth in this section. [PL 1997, c. 398, Pt. G, §6 (AMD).]

1. Adoption of plan. The governing body of the acquiring or assuming institution and the governing body of the transferring institution shall adopt by majority vote a plan for acquisition, assumption or sale on terms that are mutually agreed upon. The plan must include:

- A. The names and types of the institutions involved; [PL 1975, c. 500, §1 (NEW).]
- B. A statement setting forth the material terms of the proposed acquisition, assumption or sale, including, if applicable, the plan for disposition of all assets and liabilities not subject to the plan; [PL 1991, c. 386, §8 (AMD).]
- C. A statement, if applicable, of the plan governing liquidation of the transferring institution pursuant to section 364 upon execution of the plan, with that liquidation being a required provision of the plan; [PL 1991, c. 386, §8 (AMD).]
- D. A statement that the entire transaction is subject to written approval of the superintendent and, if the transaction involves all or substantially all of the assets or liabilities of the transferring institution, the approval of the transferring institution's investors or mutual voters; [PL 1997, c. 398, Pt. G, §6 (AMD).]
- E. If an investor-owned institution is the transferring institution and the proposed sale is not for cash, a clear and concise statement that investors of the institution voting against the proposed sale are entitled to rights set forth in section 352, subsection 5; and [PL 1997, c. 398, Pt. G, §6 (AMD).]

F. The proposed effective date of the acquisition, assumption or sale and all other information and provisions that are necessary to execute the transaction or that are required by the superintendent. [PL 1991, c. 386, §8 (AMD).]
[PL 1997, c. 398, Pt. G, §6 (AMD).]

2. Superintendent's approval.

[PL 1997, c. 398, Pt. G, §6 (RP).]

2-A. Superintendent's approval. The superintendent shall approve the plan of merger or consolidation in accordance with section 351, subsection 3.
[PL 1997, c. 398, Pt. G, §6 (NEW).]

3. Vote of investors or mutual voters. If the transaction involves all or substantially all of the assets or liabilities of the transferring institution or if the transferring institution's organizational documents require, the plan of acquisition, assumption or sale must be presented to the investors or mutual voters of the transferring institution for their approval, and their approval must be obtained in accordance with section 351, subsection 4. If the approval of investors is required, then investors dissenting to the transaction have the rights set forth in section 352, subsection 5.
[PL 1997, c. 398, Pt. G, §6 (AMD).]

4. Executed plan; certificate; effective date.

A. If the plan is approved by the investors or mutual voters of the transferring institution, the chief executive officer, president or vice-president and the clerk or secretary of such institution shall submit the executed plan to the superintendent, together with a copy of the resolution of the investors or mutual voters approving it, each certified by these officers. [PL 1997, c. 398, Pt. G, §6 (AMD).]

B. Upon receipt of the items set forth in paragraph A and evidence that the participating institutions have complied with all applicable federal law and regulations, the superintendent shall certify, in writing, to the participants that the plan has been approved and is in compliance with the provisions of this Title. [PL 1975, c. 500, §1 (NEW).]

C. Notwithstanding approval of the investors or mutual voters or certification by the superintendent, the transferring institution's governing body may, in its discretion, abandon such a transaction without further action or approval by the investors or mutual voters, subject to the rights of 3rd parties under any contracts relating to the transaction. [PL 1997, c. 398, Pt. G, §6 (AMD).]
[PL 1997, c. 398, Pt. G, §6 (AMD).]

5. Federally chartered institution as participant. If one of the participants in a transaction under this section is a federally chartered institution, all participants shall comply with such requirements as may be imposed by federal law for such an acquisition, assumption or sale and provide evidence of such compliance to the superintendent as a condition precedent to the issuance of a certificate in subsection 4, paragraph B relating to such acquisition, assumption or sale; provided that if the purchasing or assuming institution is a federally chartered institution, approval by the superintendent is not required.
[PL 1997, c. 398, Pt. G, §6 (AMD).]

6. Investor-owned institution acquiring mutual financial institution. A mutual financial institution may not sell all or substantially all of its assets to an investor-owned institution without prior compliance with section 344 and all rules adopted under section 344.
[PL 1997, c. 398, Pt. G, §6 (AMD).]

7. Other sections. Sections 357 and 358 apply to acquisitions, assumptions and sales made pursuant to this section.
[PL 1997, c. 398, Pt. G, §6 (AMD).]

8. Applicability. This section does not apply to a transfer of assets of a financial institution in the ordinary course of business that does not include any assumption of deposit liabilities.
[PL 1991, c. 386, §10 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1979, c. 663, §40 (AMD). PL 1991, c. 386, §§7-10 (AMD). PL 1997, c. 398, §6 (AMD).

§355-A. Authority for expedited acquisitions

Notwithstanding any other provision of law, or any organizational document of any participating institution, the superintendent may order that the acquisition of assets and assumption of liabilities become effective immediately if the superintendent determines that the action is necessary for the protection of depositors or the public. This action may be taken upon receipt of the following: [PL 1997, c. 398, Pt. G, §7 (AMD).]

1. Authorizing resolutions and plan. Certified copies of the authorizing resolutions adopted by the respective governing bodies of the acquiring or assuming financial institution or financial institution holding company, and a copy of the plan of acquisition of assets and assumption of liabilities approved by a majority vote of the governing bodies of the acquiring or assuming financial institution or financial institution holding company and the transferring institution; or
[PL 1997, c. 398, Pt. G, §8 (AMD).]

2. Notice. Notice, containing information required by the superintendent, from any other person of intent to acquire the assets and assume the liabilities of a financial institution or financial institution holding company.
[PL 1991, c. 34, §3 (NEW).]

Any person aggrieved by an acquisition of assets and assumption of liabilities pursuant to this section is entitled to judicial review of the superintendent's order in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter VII. [PL 1991, c. 34, §3 (NEW).]

SECTION HISTORY

PL 1987, c. 40, §2 (NEW). PL 1991, c. 34, §3 (AMD). PL 1997, c. 398, §§7,8 (AMD).

§356. Book value of assets

(REPEALED)

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1997, c. 398, §G9 (RP).

§357. Effect of merger, consolidation, conversion or acquisition

From and after the effective date of a merger, consolidation, conversion or acquisition, the resulting institution may conduct business in accordance with the terms of the plan as approved; provided that: [PL 1975, c. 500, §1 (NEW).]

1. Continuing entity. Even though the charter of any participating or converting institution has been terminated, the resulting institution shall be deemed to be a continuation of the entity of the participating or converting institution such that all property of the participating or converting institution, including rights, titles and interests in and to all property of whatsoever kind, whether real, personal or mixed, and things in action, and every right, privilege, interest and asset of any conceivable value or benefit then existing, or pertaining to it, or which would inure to it, including appointments, designations and nominations, and all other rights and interests as trustee, personal representative, guardian and conservator, and in every other fiduciary capacity, shall immediately by act of law and without any conveyance or transfer and without further act or deed be vested in and continue to be that property of the resulting institution; and such institution shall have, hold and enjoy the same in its own right as fully and to the same extent as the same was possessed, held and enjoyed by the participating or converting institution and such resulting institution as of the time of the taking effect of such merger, consolidation, conversion or acquisition shall continue to have and succeed to all the rights, obligations and relations of the participating or converting institution.

[PL 1983, c. 42 (AMD).]

2. Effect on judicial proceedings. All pending actions and other judicial proceedings to which the participating or converting institution is a party shall not be deemed to have been abated or to have been discontinued by reason of such merger, consolidation, conversion or acquisition, but may be prosecuted to final judgment, order or decree in the same manner as if such action had not been taken; and such institution resulting from such merger, consolidation, conversion or acquisition may continue such action in its new name, and any judgment, order or decree may be rendered for or against it which might have been rendered for or against the participating or converting institution theretofore involved in such judicial proceedings.

[PL 1975, c. 500, §1 (NEW).]

3. Creditor's rights. The resulting institution in a merger, consolidation, conversion or acquisition shall be liable for all obligations of the participating or converting institution which existed prior to such action, and the action taken shall not prejudice the right of a creditor of the participating or converting institution to have his debts paid out of the assets thereof, nor shall such creditor be deprived of, or prejudiced in, any action against the officers, directors, incorporators or members of a participating or converting institution for any neglect or misconduct.

[PL 1975, c. 500, §1 (NEW).]

4. Exception. In the event of an acquisition of assets pursuant to section 355, the provisions of subsections 1 through 3 of this section shall apply only to the assets acquired and the liabilities assumed by the resulting institution; provided that sufficient assets to satisfy all liabilities not assumed by the resulting institution are retained by the transferring institution.

[PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1983, c. 42 (AMD).

§358. Nonconforming activities: cessation

If, as a result of a merger, consolidation, conversion or acquisition pursuant to this Title, the resulting institution is to be of a different type or of a different character than any one or all of the participating or converting institutions, such resulting institution shall be subject to the following conditions and limitations: [PL 1975, c. 500, §1 (NEW).]

1. Plan for termination. The plan of merger, consolidation, conversion or acquisition shall set forth the method and schedule for terminating those activities not permitted by the laws of this State for the resulting institution, but which were authorized for any of the participating or converting institutions.

[PL 1975, c. 500, §1 (NEW).]

2. Effective date. The plan of merger, consolidation, conversion or acquisition shall state that from the effective date of such action, the resulting institution shall not engage in any nonconforming activities, except to the extent necessary to fulfill obligations existing prior to merger, consolidation, conversion or acquisition, pursuant to subsection 4.

[PL 1975, c. 500, §1 (NEW).]

3. Compliance with limitations. If, as a result of such merger, consolidation, conversion or acquisition, the resulting institution exceeds any lending, investment or other limitations imposed by this Title, it shall conform to such limitations within such period of time as shall be established by the superintendent.

[PL 1975, c. 500, §1 (NEW).]

4. Divesture. The superintendent may, as a condition to such merger, consolidation, conversion or acquisition, require a nonconforming activity to be divested in accordance with such additional requirements as he may deem appropriate under the circumstances.

[PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW).

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