

Chapter 32.35 RCW
STOCK SAVINGS BANKS

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RCW 32.35.010 Incorporators—Paid-in capital stock, surplus, and undivided profits—Requirements. When authorized by the director, one or more natural persons, citizens of the United States, may incorporate a stock savings bank in the manner prescribed under this chapter. No stock savings bank may incorporate for less amount nor commence business unless it has a paid-in capital stock, surplus and undivided profits in the amount as may be determined by the director after consideration of the proposed location, management, and the population and economic characteristics for the area, the nature of the proposed activities and operation of the stock savings bank, and other factors deemed pertinent by the director. Before commencing business, each stock savings bank shall have subscribed and paid into it in the same manner as is required for capital stock, an amount equal to at least ten percent of the capital stock required, that shall be carried in the undivided profit account and may be used to defray organization and operating expenses of the company. Any sum not so used shall be transferred to the surplus fund of the company before any dividend shall be declared to the stockholders. [1999 c 14 s 1.]

RCW 32.35.020 Notice of intention to organize—Proposed articles of incorporation—Contents. Persons desiring to incorporate a stock savings bank shall file with the director a notice of their intention to organize a stock savings bank in such form and containing such information as the director shall require, together with proposed articles of incorporation, which shall be submitted for examination to the director at his or her office.

The proposed articles of incorporation shall state:

- (1) The name of the stock savings bank;
- (2) The city, village, or locality and county where the head office of the corporation is to be located;
- (3) The nature of its business, that of a stock savings bank;

(4) The amount of its capital stock, which shall be divided into shares of a par or no par value as may be provided in the articles of incorporation;

(5) The names and places of residence and mailing addresses of the persons who as directors are to manage the corporation until the first annual meeting of its stockholders;

(6) If there is to be preferred or special classes of stock, a statement of preferences, voting rights, if any, limitations and relative rights in respect of the shares of each class; or a statement that the shares of each class shall have the attributes as shall be determined by the stock savings bank's board of directors from time to time with the approval of the director;

(7) Any provision granting the shareholders the preemptive right to acquire additional shares of the stock savings bank and any provision granting shareholders the right to cumulate their votes;

(8) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the affairs of the corporation, including any provision restricting the transfer of shares, any provision which under this title is required or permitted to be set forth in the bylaws, and any provision permitted by RCW 23B.17.030;

(9) Any provision the incorporators elect to so set forth, not inconsistent with law or the purposes for which the stock savings bank is organized, or any provision limiting any of the powers granted in this title.

It is not necessary to set forth in the articles of incorporation any of the corporate powers granted in this title. The articles of incorporation shall be signed by all of the incorporators. [1999 c 14 s 2.]

RCW 32.35.030 Investigation. When the notice of intention to organize and proposed articles of incorporation complying with RCW 32.35.020 have been received by the director, together with the fees required by law, the director shall ascertain from the best source of information at his or her command and by such investigation as he or she may deem necessary, whether the character, responsibility and general fitness of the persons named in the articles are such as to command confidence and warrant belief that the business of the proposed stock savings bank will be honestly and efficiently conducted in accordance with the intent and purpose of this title, whether the resources in the neighborhood of such place and in the surrounding country afford a reasonable promise of adequate support for the proposed stock savings bank, and whether the proposed stock savings bank is being formed for other than the legitimate objects covered by this title. [1999 c 14 s 3.]

RCW 32.35.040 Notice to file articles—Articles approved or refused—Hearing. After the director is satisfied of the *above facts, and, within six months of the date the notice of intention to organize has been received in his or her office, the director shall notify the incorporators to file executed articles of incorporation with the director in triplicate. Unless the director otherwise consents in writing, such articles shall be in the same form and shall contain the same information as the proposed articles and shall be

filed with the director within ten days of such notice. Within thirty days after the receipt of such articles of incorporation, the director shall endorse upon each of the copies, over his or her official signature, the word "approved," or the word "refused," with the date of such endorsement. In case of refusal the director shall immediately return one of the copies, so endorsed, together with a statement explaining the reason for refusal to the person from whom the articles were received, which refusal shall be conclusive, unless the incorporators, within ten days of the issuance of such notice of refusal, shall request a hearing pursuant to the administrative procedure act, chapter 34.05 RCW. [1999 c 14 s 4.]

***Reviser's note:** The term "above facts" apparently refers to the investigation required under RCW 32.35.030.

RCW 32.35.050 Approved articles to be filed and recorded—Organization complete. In case of approval the director shall immediately give notice to the proposed incorporators and file one of the copies of the articles of incorporation in his or her own office, and shall transmit another copy to the secretary of state, and the last to the incorporators. Upon receipt from the proposed incorporators of the fees as are required for filing and recording other articles of incorporation, the secretary of state shall file and record the articles. Upon the filing of articles of incorporation approved by the director with the secretary of state, all persons named in the articles and their successors shall become and be a corporation, which shall have the powers and be subject to the duties and obligations prescribed by this title, and whose existence shall continue from the date of the filing of such articles until terminated pursuant to law; but such corporation shall not transact any business except as is necessarily preliminary to its organization until it has received a certificate of authority. [1999 c 14 s 5.]

RCW 32.35.055 Amending articles—Filing with director—Contents. A stock savings bank amending its articles of incorporation shall deliver articles of amendment to the director for filing as required for articles of incorporation. The articles of amendment shall set forth:

- (1) The name of the stock savings bank;
- (2) The text of each amendment adopted;
- (3) The date of each amendment's adoption;
- (4) If the amendment was adopted by the incorporators or board of directors without shareholder action, a statement to that effect and that shareholder action was not required; and
- (5) If shareholder action was required, a statement that the amendment was duly approved by the shareholders in accordance with the provisions of RCW 32.32.490. [1999 c 14 s 6.]

RCW 32.35.060 Certificate of authority—Issuance—Contents. Before any stock savings bank is authorized to do business, and within ninety days after approval of the articles of incorporation or such other time as the director may allow, it shall furnish proof satisfactory to the director that such corporation has a paid-in capital in the amount determined by the director, that the requisite

surplus or reserve fund has been accumulated or paid in cash, and that it has in good faith complied with all the requirements of law and fulfilled all the conditions precedent to commencing business imposed by this title. If so satisfied, and within thirty days after receipt of such proof, the director shall issue under his or her hand and official seal, in triplicate, a certificate of authority for such corporation. The certificate shall state that the named corporation has complied with the requirements of law and that it is authorized to transact the business of a stock savings bank. However, the director may make his or her issuance of the certificate to a stock savings bank authorized to accept deposits, conditional upon the granting of deposit insurance by the federal deposit insurance corporation, and in such event, shall set out such condition in a written notice which shall be delivered to the corporation.

One of the triplicate certificates shall be transmitted by the director to the corporation and one of the other two shall be filed by the director in the office of the secretary of state and shall be attached to the articles of incorporation. However, if the issuance of the certificate is made conditional upon the granting of deposit insurance by the federal deposit insurance corporation, the director shall not transmit or file the certificate until such condition is satisfied. [1999 c 14 s 7.]

RCW 32.35.070 Failure to commence business—Effect—Extension of time. Every corporation authorized by the laws of this state to do business as a stock savings bank, which corporation shall have failed to organize and commence business within six months after certificate of authority to commence business has been issued by the director, shall forfeit its rights and privileges as such corporation, which fact the director shall certify to the secretary of state, and such certificate of forfeiture shall be filed and recorded in the office of the secretary of state in the same manner as the certificate of authority. However, the director may, upon showing of cause satisfactory to him or her, issue an order under his or her hand and seal extending for not more than three months the time within which such organization may be effected and business commenced, such order to be transmitted to the office of the secretary of state and filed and recorded. [1999 c 14 s 8.]

RCW 32.35.080 Extension of existence—Application—Investigation—Certificate—Appeal—Winding up for failure to continue existence. At any time not less than one year prior to the expiration of the time of the existence of any mutual savings bank or stock savings bank, it may by written application to the director, signed and verified by a majority of its directors and approved in writing by the owners of not less than two-thirds of its capital stock, apply to the director for leave to file amended articles of incorporation, extending its time of existence. Prior to acting upon such application, the director shall make such investigation of the applicant as he or she deems necessary. If the director determines that the applicant is in sound condition, that it is conducting its business in a safe manner and in compliance with law and that no reason exists why it should not be permitted to continue, he or she shall issue to the applicant a certificate authorizing it to file amended articles of incorporation extending the

time of its existence until such time as it be dissolved by the act of its shareholders owning not less than two-thirds of its stock, or until its certificate of authority becomes revoked or forfeited by reason of violation of law, or until its affairs be taken over by the director for legal cause and finally wound up by him or her. Otherwise the director shall notify the applicant that he or she refuses to grant such certificate. The applicant may appeal from such refusal in the same manner as in the case of a refusal to grant an original certificate of authority. Otherwise the determination of the director shall be conclusive.

Upon receiving a certificate, as hereinabove provided, the applicant may file amended articles of incorporation, extending the time of its existence for the term authorized, to which shall be attached a copy of the certificate of the director. Such articles shall be filed in the same manner and upon payment of the same fees as for original articles of incorporation.

Should any mutual savings bank or stock savings bank fail to continue its existence in the manner provided and be not previously dissolved, the director shall at the end of its original term of existence immediately take possession of the corporation and wind up its affairs in the same manner as in the case of insolvency. [1999 c 14 s 9.]

RCW 32.35.090 Shares—Certificates not required. (1) Shares of a stock savings bank may, but need not be, represented by certificates. Unless this title expressly provides otherwise, the rights and obligations of shareholders are identical whether or not their shares are represented by certificates. At a minimum, each share certificate must state the information required to be stated and must be signed as provided in RCW 23B.06.250 and/or 23B.06.270 for corporations.

(2) Unless the articles of incorporation or bylaws provide otherwise, the board of directors of a stock savings bank may authorize the issue of some or all of the shares of any or all of its classes or series without certificates. The authorization does not affect shares already represented by certificates until they are surrendered to the stock savings bank.

(3) Within a reasonable time after the issue or transfer of shares without certificates, the stock savings bank shall send the shareholder a written statement of the information required to be stated on certificates under subsection (1) of this section. [1999 c 14 s 10.]