

Legislative Commission  
of the  
Legislative Counsel Bureau

**Bulletin No. 83**



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### Legislative Commission

Senator B. Mahlon Brown	Assemblyman Melvin D. Close, Jr.
Senator Carl F. Dodge	Assemblyman Zelvin D. Lowman
Senator James I. Gibson	Assemblyman James E. Wood
Senator Archie Pozzi, Jr.	Senator Marvin L. White



Assembly Concurrent Resolution No. 4 (1967)

ASSEMBLY CONCURRENT RESOLUTION--Directing the legislative commission to make a study of the effectiveness of the state's control over savings and loan associations and to make recommendations for statutory revisions to the 55th session of the legislature.

WHEREAS, There has been a tremendous growth in recent years of savings and loan associations within the State of Nevada; and

WHEREAS, A concern has recently been expressed as to the full effectiveness of the state's control over savings and loan associations; and

WHEREAS, A close examination of existing controls may indicate a necessity for the revision of the statutes relating to savings and loan associations; and

WHEREAS, Such a revision would require an extensive study of existing statutes relating to the controls exercised by the state over savings and loan associations, the application, enforcement and value of such statutes and a determination of alternate methods of control; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING, That the legislative commission is directed to study the laws and administrative practices in relation to savings and loan associations, and report the results of such study, including any necessary recommendations for revision of the Nevada statutes, to the 55th session of the legislature of the State of Nevada.



## REPORT OF THE LEGISLATIVE COMMISSION

To The Members of the 55th Session of the Nevada Legislature:

### I. Introduction

A study of the laws and administrative practices relating to savings and loan associations was undertaken by the legislative commission to carry out the mandate of the 54th session of the Nevada legislature expressed in Assembly Concurrent Resolution No. 4.

The project was assigned to the legal division of the legislative counsel bureau. Perry Burnett, Esq., deputy legislative counsel, directed it. Staff study was aided immeasurably by the constructive assistance and contributions of Hugo Quilici, director of the department of commerce, and Frank D. Arnold, commissioner of savings associations.

Research was balanced with the practical viewpoint gained from consultation with industry leaders. The legislative commission wishes to express its appreciation to those savings and loan association officers and counsel whose constructive comments and suggestions have been embodied in certain portions of the recommended legislation, which is made a part of this report and presented as Appendix A.

A draft statute was offered by the savings and loan division. A copy of this draft was supplied to all savings and loan associations by the commissioner. Their comments and criticism, which were presented in letter form to the commissioner, were given detailed study by the department of commerce as well as its savings and loan division. A mutual exchange of ideas was promoted and compromise established in a number of areas of disagreement at a meeting between industry officials and the savings and loan division. The most important points of compromise are indicated below, under the heading "Emphasis of This Report." The legislative recommendations submitted herewith as Appendix A are, in important respects, products of compromise, which, in the view of the legislative commission, merit legislative approval.

### II. Appraisal of Industry

The savings and loan industry in Nevada, as in all other states except Alaska and Tennessee, is characterized by a dual system of federal and state associations. Although banking has traditionally been regulated by both federal and state law, the dual system did not develop in the savings and loan industry until the 1930's when the Federal Government entered the field of regulation and supervision.

The dual system offers a choice and provides a competitiveness that is regarded in most quarters as beneficial. Duplication of control and regulation effort is present to at least some degree. A more far-ranging study of this aspect of law and administrative practice would be necessary in order to reach any satisfactory understanding of the need for specific legislation concerning federal vis a vis state regulation.

### III. Emphasis of This Report

#### 1. Generally.

While some 40 sections of chapter 673 of Nevada Revised Statutes are affected, either by way of recommended amendment or repeal of existing sections of the law or by way of recommended additions to the law, the most significant changes occur in the following selected aspects of this study and may be found in Appendix A, generally under the following section groupings:

- (a) Formation and organization of branch offices: Section 6 and sections 26 to 29, inclusive.
- (b) Investments and borrowing: Sections 7 and 33.
- (c) Loans: Sections 9, 10, 34 and 35.
- (d) Conservatorship and liquidation: Section 15 and sections 42 to 44, inclusive.

The draft statute is explanatory of the scope of this study. It does not represent a general revision of the savings and loan laws. For whatever merit there may be in quantitative analysis, evidence of this may be gained from the fact that less than 25 percent of the existing sections of chapter 673 of NRS have been singled out for amendment or repeal. The draft statute does, however, represent a calculated and studied effort to assure a more effective control over this important phase of the economy of the State of Nevada.

#### 2. Compromises.

Among the number of significant compromises effected between the savings and loan division and the industry were the features of the industry and its regulation covered in the following sections of the draft statute:

- (a) Section 10--Accounting for real estate owned;
- (b) Section 11--Examination of holding companies;
- (c) Section 14--Receivership;
- (d) Section 26--Branch offices;
- (e) Section 28--Surety bonds;
- (f) Section 33--Permissible investments;
- (g) Section 30--Loans to one borrower;
- (h) Section 34--Loans on real property;
- (i) Section 42--Preliminary steps to conservatorship;
- (j) Section 43--Conservatorship.



In each of the above instances the language resulting from compromise and appearing in the draft statute is a practical manifestation of trained and purposeful thinking in a particular field of competence.

Respectfully submitted,

Legislative Commission  
State of Nevada

Carson City, Nevada  
February 1969



SUMMARY--Modernizes regulation of savings and loan associations. (BDR 56-34)

AN ACT relating to savings and loan associations; modernizing the regulation of the savings and loan business; providing penalties; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 673 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 15, inclusive, of this act.

Sec. 2. "Deposit" means that part of the savings liability of an association which is credited to the account of the holder thereof.

Sec. 3. "Interest" means that part of the net earnings of an association which is declared payable from time to time or savings accounts or investment certificates by the board of directors and which represents the primary cost of securing and maintaining savings funds for an association.

Sec. 4. "Merger" means that consolidation of corporate structures which results in the uniting of all the assets and liabilities of one state-chartered association with those of another such association or with those of a federal association.

Sec. 5. The commissioner may cause appropriate legal action to be taken in the district court of any county to secure an injunction or order restraining a violation of any provision of this chapter.

Sec. 6. 1. Every foreign association which desires to do any business or maintain an office of the kind provided for in this chapter shall apply to the commissioner for a license to transact such business or maintain such office in this state.

2. Every applicant for a license shall pay a fee of \$250.  
The commissioner shall issue a license to an applicant if he  
is satisfied that the issuance of such license is consistent  
with the purpose of this chapter. The commissioner may revoke  
any such license when he is satisfied that the licensed activ-  
ity or any part of it is not consistent with the purposes of  
this chapter. Every licensed foreign association shall pay  
an annual fee of \$50.

3. At the time of making such application, every foreign  
association shall provide written consent to whatever exam-  
ination or investigation the commissioner may desire to make  
during the license period.

4. The provisions of chapter 80 of NRS apply to all foreign  
associations licensed under the provisions of this section.  
For the purposes of this section, activities conducted by any  
foreign association, which are limited to any one or more of  
those enumerated in NRS 80.240, do not constitute doing busi-  
ness or require that such association be licensed.

Sec. 7. 1. Any investment in real property for purposes of  
subdivision or for residential development must not exceed the  
market value or appraisal valuation as evidenced by an appraisal  
report prepared within 120 days of such investment by a member  
of the American Institute of Real Estate Appraisers, the  
Society of Real Estate Appraisers, or the Independent Fee  
Appraisers Society, or by such other appraiser as may be approved  
by the commissioner.

2. Before such investment is made, the association shall  
provide the commissioner with a certified copy of one or more  
appraisal reports on the real property involved and with a  
title insurance company report, reflecting the chain of title  
for a period of at least 3 years and the amount of considera-  
tion given for each title transfer that may have occurred during

the reported period. If the total amount to be invested in undeveloped real property exceeds one-half of 1 percent of the association's total savings accounts, the investment may not be made until the commissioner has given his written approval.

3. The commissioner may require a statement from the association disclosing whether or not any director, officer or employee of the association has a direct or indirect interest in the real property involved or has had any such interest at any time during the past 3 years. Stock ownership in an interested corporation may be considered the direct or indirect interest of the investor. Failure to make any such required disclosure is unlawful.

Sec. 8. A reserve for losses shall be maintained by each association which shall allow for the write-down of assets to their fair market value in accordance with generally accepted accounting principles.

Sec. 9. 1. An association may pay:

(a) Current or past-due taxes or assessments levied upon secured property;

(b) Insurance premiums;

(c) Life insurance premiums on policies that an association may require to be assigned as additional collateral; or

(d) Other similar charges required for the protection of its investments.

*Such* Such payments shall be added to the unpaid loan balance and shall have the same secured status under the deed of trust provisions as the loan itself. No association may require, as a condition of loan approval or in the extension of any other service, that any kind of insurance coverage be purchased from or through the association or from any agency in which a director or officer of the corporation has any interest.

2. An association may require advance monthly payments on:

(a) Principal.

(b) Interest.

(c) Taxes.

(d) Assessments.

(e) Insurance premiums.

(f) Other statutory charges accruing upon the secured property.

*flush* Each such payment may be equivalent to one-twelfth of the estimated annual amount due. Monthly charges may be adjusted to provide a reasonable method for the payment of estimated taxes, assessments, insurance premiums and other charges. Upon receipt thereof such payments may be carried in a separate trust account or they may be applied to the loan account as a credit upon receipt and debit when disbursed.

Sec. 10. 1. When an association acquires title to any real property by foreclosure or by a conveyance in lieu of foreclosure, the document representing the transaction must be recorded immediately.

2. An appropriate real-estate-owned account shall be set up for the property acquired and a separate subsidiary ledger or other appropriate record shall be maintained therefor. The amount carried in the account shall be the sum of the unpaid principal balance of the loan plus foreclosure costs, less any advance payments and any funds held in the loans-in-process account at the time of acquisition, together with:

(a) Any amounts paid after acquisition for real property taxes which have accrued prior to acquisition;

(b) Assessments due or delinquent at the time of acquisition;  
and

(c) Necessary acquisition costs and costs of insurance premiums.

3. The subsidiary ledger record or other appropriate record on each property acquired shall indicate:

- (a) The type and character of the property acquired.
- (b) All capitalized items of investment with related costs.
- (c) Former loan or contract of sale account numbers.

Sec. 11. 1. The commissioner may, at the time of examining a savings and loan association, inspect the books, ledgers and minutes of any corporation which is registered or required to be registered under section 408 of the National Housing Act as a holding company whenever, in his discretion, he considers it advisable to ascertain facts which may relate to transactions between the holding company and the affiliated association.

2. Upon making findings to that end, the commissioner may order the discontinuance of borrowing or lending, selling or buying of assets, extending credit or guaranteeing obligations of the holding company without the written approval of the commissioner.

3. No unreasonable supervisory fees may be imposed upon any association which is controlled by a holding company.

Sec. 12. 1. In case of the refusal of any person to attend or testify or produce any papers required by the subpoena directed to be served under the provision of NRS 673.450, the commissioner may report to the district court in and for the county in which the examination, hearing or investigation is pending by petition, setting forth that:

- (a) Due notice has been given of the time and place of attendance of such person or the production of the books and papers;
- (b) Such person has been subpoenaed in the manner prescribed in this chapter; and
- (c) Such person has failed and refused to attend or produce the papers required by subpoena before the commissioner in the

examination, hearing or investigation named in the subpoena, or  
has refused to answer questions propounded to him in the course  
of such examination, hearing or investigation,  
*flush* and asking an order of the court compelling such person to  
attend and testify or produce the books or papers before the  
commissioner.

2. The court, upon petition of the commissioner, shall enter  
an order directing such person to appear before the court at a  
time and place to be fixed by the court in such order, the  
time to be not more than 10 days from the date of the order,  
and then and there show cause why he has not attended or  
testified or produced the books or papers before the commissioner.  
A certified copy of the order shall be served upon such person.  
If it appears to the court that the subpoena was regularly  
issued by the commissioner, the court shall thereupon enter an  
order that such person appear before the commissioner at the  
time and place fixed in the order and testify or produce the  
required books or papers; and upon failure to obey the order  
such person shall be dealt with as for contempt of court.

Sec. 13. 1. The conservator confirmed or appointed by the  
court shall have all the power expressed in the court order  
and the following:

(a) All the rights, powers and privileges possessed by the  
directors, officers and members.

(b) The power to request the resignation of or remove any  
director, officer or employee for cause and upon written notice,  
which shall show the commissioner's approval of such action.

(c) The power to accept new savings accounts and additions  
to existing accounts, which shall become segregated accounts  
and amounts, if the commissioner so orders in writing, not  
subject to offset and not available for liquidating any



indebtedness of an association existing at the time the conservator was appointed.

2. The conservator may not:

(a) Retain special counsel or other experts;

(b) Incur any expenses other than normal operating expenses;

or

(c) Liquidate assets except in the normal course of operations or for the preservation of existing asset values.

3. All expenses of the association, during such conservatorship, shall be paid by the association.

4. The amount of compensation for the conservator shall be determined by the court and paid by the association. When either the commissioner or his deputy has been appointed conservator, such compensation shall be paid to the state treasurer.

5. During the conservatorship, association members shall continue to make such payments to the association as may be required under the terms of their respective contracts.

6. Savings account members may, with the approval of the conservator, withdraw all or any part of their savings accounts under the provisions of this chapter or under such rules and regulations as the commissioner may prescribe.

7. The conservator shall return the association to the board of directors if the conditions complained of by the commissioner have been removed within 12 months of his appointment. If no such change has been effected in such time, a receiver may be appointed by the commissioner as provided in this chapter.

Sec. 14. 1. If the commissioner finds that any association:

(a) Is in an impaired condition;

(b) Is engaging in practices which threaten to result in an impaired condition; or

(c) Is in violation of an order or injunction, as provided in NRS 673.495, which has become final in that the time to appeal has expired without appeal or a final order entered from which there can be no appeal,

*Push* the commissioner may appoint a receiver for such association, which may be the commissioner, his deputy or any other person, and upon such appointment shall apply immediately to a court of general jurisdiction in the county in which the home office of the association is located for confirmation of such appointment, and such court shall have exclusive jurisdiction to determine the issues and all related matters. Such proceedings shall be given precedence over other cases pending in such court, and shall in every way be expedited. Such court shall confirm such appointment if it finds that one or more such grounds exist, and a certified copy of the order of the court confirming such appointment shall be evidence thereof. In the case of an insured association, the appointment by the commissioner of a receiver under this section shall constitute an official determination of a public authority of this state pursuant to which a receiver is appointed for the purpose of liquidation as contemplated by and within the meaning of section 406 of the National Housing Act of 1934, as amended, if, within 10 days after the date the application of the commissioner is filed, confirmation of such appointment or denial of confirmation has not been issued by the court. Such receiver shall have all the powers and authority of a conservator plus the power to liquidate, and shall have such other powers and authority as may be expressed in the order of the court. If the commissioner, or his deputy, or examiner is appointed receiver, he shall receive no additional compensation, but if another person is appointed, then the compensation of the receiver, as determined by the court, shall be paid from the assets of the association.

2. If the association is an institution insured by the Federal Savings and Loan Insurance Corporation, the Federal Savings and Loan Insurance Corporation shall be tendered appointment as receiver or coreceiver. If it accepts such appointment, it may, nevertheless, make loans on the security of or purchase at public or private sale any part or all of the assets of the association of which it is receiver or coreceiver, provided such loan or purchase is approved by such court.

3. The procedure in such receivership action shall be in all other respects in accordance with the practice in such court, including all rights of appeal and review. The directors, officers and attorneys of an association in office at the time of the initiation of any proceeding under this section or under NRS 673.495 are expressly authorized to contest any such proceeding and shall be reimbursed for reasonable expenses and attorney fees by the association or from its assets. Any court having any such proceeding before it shall allow and order paid reasonable expenses and attorney fees for such directors, officers and attorneys.

Sec. 15. 1. An association may reorganize, merge or consolidate with another state or federal association within its primary lending area, if the reorganization, merger or consolidation is based upon a plan which has been adopted by the board of directors and approved at a regular or special membership meeting which has been called to consider such action. Such approval must rest on a favorable vote of a majority of the voting power of the association as established by its articles.

2. Any such plan for reorganization, merger or consolidation must be approved by the commissioner, who shall satisfy himself that the plan, if approved, would be equitable for the members of the affected association or associations and would not impair

the usefulness or success of other properly conducted associations in the community. In submitting an application for approval of any such plan, each association proposing to reorganize, merge or consolidate shall provide a comprehensive review of its present financial statement and a projected view of the financial statement of the reorganized, merged or consolidated association.

3. Unless such action is specifically authorized by or taken in conformity with this chapter, no association may, directly or indirectly:

(a) Reorganize, merge or consolidate.

(b) Assume liability to pay savings accounts or other liabilities of any financial institution or any other organization, person or entity.

(c) Transfer assets to any financial institution or any other organization, person or entity in consideration of such transferee's assumption of liability for any portion of the transferor's savings accounts, deposits or other liability.

(d) Acquire the assets of any financial institution or any other organization, person or entity.

4. Any association aggrieved by any action or position taken by the commissioner under this section may appeal therefrom to the board in the manner provided by NRS 673.047.

5. Each application which is made under this section shall be accompanied by a fee payment of \$150. The responsibility for payment of such fee shall be shared equally by the associations participating in each such proposed plan.

Sec. 16. NRS 673.001 is hereby amended to read as follows:

673.001 As used in this chapter, unless the context otherwise requires, words shall have the meanings assigned in NRS 673.002 to 673.034, inclusive [.] , and sections 2 to 4, inclusive, of this act.

Sec. 17. NRS 673.004 is hereby amended to read as follows:

673.004 "Certificates," "contracts" or "securities" means all of the instruments enumerated in NRS [673.070.] 673.017.

Sec. 18. NRS 673.007 is hereby amended to read as follows:

673.007 "Dividend" means that part of the net earnings of an association which is declared payable [on savings accounts from time to time] by the board of directors [, and is the cost of savings money to the association.] to the holders of permanent capital stock.

Sec. 19. NRS 673.017 is hereby amended to read as follows:

673.017 1. "Investment certificate" means any certificate or contract, either paid up or purchasable on an installment basis, which is issued for the purpose of providing a means of investment or savings.

2. An accumulative investment certificate is an investment certificate, not full paid and without an expressed date of maturity, upon which the holder has the option of making payments at such times and in such amounts as the holder elects and as the association permits.

3. A full paid investment certificate is an investment certificate, with or without an expressed date of maturity, for which the association has received the principal amount thereof at or prior to the time of the issuance of the certificate.

4. A minimum term investment certificate is an investment certificate for which the association has received a single payment equal to the principal amount thereof and which has a date expressed therein before which notice of intention to withdraw cannot be given, or which requires written notice from the holder to the association for a period specified therein before the expiration of which period notice of intention to withdraw cannot be given. On and after such date, or upon and after the

expiration of the specified period following such written notice, each such certificate ceases to be a minimum term investment certificate and becomes a full paid investment certificate, subject to the same withdrawal rights and restrictions as a full paid investment certificate.

Sec. 20. NRS 673.031 is hereby amended to read as follows:

673.031 "Savings account" means that part of the savings liability of the association which is credited to the account of the [holder] investor-member thereof.

Sec. 21. NRS 673.032 is hereby amended to read as follows:

673.032 "Savings liability" means the aggregate amount of savings accounts, including [dividends] interest credited to such accounts, less [redemptions and] withdrawals.

Sec. 22. NRS 673.035 is hereby amended to read as follows:

673.035 The commissioner shall administer the provisions of this chapter, subject to administrative supervision by the director. He shall make the decisions, determinations and enter the consents and orders necessary or reasonably appropriate to accomplish the purposes of this chapter. Nothing in this chapter shall be construed to prevent an association or person affected by any order, ruling, proceeding, act or action of the commissioner or any person acting on his behalf, or the director or any person acting on his behalf and at his instance, from testing the validity of the action in any court of competent jurisdiction through injunction, appeal, error or other proper process or proceeding, mandatory or otherwise.

Sec. 23. NRS 673.0351 is hereby amended to read as follows:

673.0351 The commissioner shall:

1. Be appointed by and serve at the pleasure of the governor.
2. Have had experience in the savings and loan field.
3. Receive an annual salary in the amount specified in NRS 281.115.

4. Receive the per diem expense allowance and travel expenses as [fixed by law.] provided in NRS 281.160, including but not limited to expense allowance and travel expenses for attendance at conferences and meetings of the Federal Home Loan Bank, Federal Home Loan Bank Board, Federal Savings and Loan Insurance Corporation and National Association of Savings and Loan Supervisors.

Sec. 24. NRS 673.0355 is hereby amended to read as follows:

673.0355 1. The savings association appeal board is hereby created.

2. The board shall consist of five members appointed by the governor. Members of the board shall be citizens of the United States and residents of this state.

3. The members shall be representative businessmen but not more than one may be actively engaged in the operation and management of an association.

4. The governor shall designate one of the members as chairman of the board.

5. The board shall serve in an appeal capacity to the savings and loan division and shall conduct such hearings and perform such other functions as required by the provisions of this chapter.

6. Any association aggrieved by any action of the commissioner or the director or by his or their failure to act under the provisions of this chapter may appeal therefrom to the board pursuant to the provisions of NRS 673.047.

7. Upon request by the chairman, the commissioner shall provide such facilities as may be required for the conduct of such hearings, including stenographic and clerical assistance.

8. The board may not conduct any hearing or perform any other legally required function unless it is undertaken as legally constituted board action.

9. Within 5 days after any hearing, the commissioner shall deliver or mail to each board member and to each association affected a copy of the transcript or minutes of such hearing.

Sec. 25. NRS 673.039 is hereby amended to read as follows:

673.039 [1. The savings and loan division may adopt and amend, from time to time, regulations for the orderly conduct of its affairs.

2. The savings and loan division shall:

(a) Have a seal which shall be judicially noticed.

(b) Keep, in the office of the commissioner, records of its proceedings. In any proceeding in court, civil or criminal, arising out of or founded upon any provision of this chapter, copies of such records certified as correct under the seal of the division shall be admissible in evidence as tending to prove the contents of such records.] The commissioner shall:

1. Have a seal which shall be judicially noticed.

2. Keep in his office:

(a) For no less than 5 years, every report made by an association.

(b) The original application of every association in a permanent file.

(c) Other administrative documents in the manner provided by law or by appropriate regulations.

3. Provide a complete stenographic record of every hearing and proceeding conducted by his office and maintain, for no less than 5 years, a transcript of such hearing or proceeding, together with any regulation, order, decision, determination or consent entered in connection with such hearing or proceeding. In any proceeding, whether before the board or in a civil or criminal court proceeding, arising out of or founded upon any provision of this chapter, copies of such transcripts and entries,



certified as correct under the seal of the division, shall be admissible in evidence as tending to prove the contents of such records and entries.

Sec. 26. NRS 673.080 is hereby amended to read as follows:

673.080 1. The secretary of state shall not issue any certificate to any such association or company authorizing it to do business until the articles of association, agreement or incorporation are approved by the commissioner.

2. No amendment to such articles of any such organization may be filed by the secretary of state without the written approval thereof by the commissioner.

3. No association may sell, offer for sale, negotiate for the sale of, take subscriptions for, or issue any of its permanent stock until it has first applied for and secured from the commissioner approval of an application for permission to organize as provided for in this section.

4. (a) Persons who desire to organize an association under this chapter shall first execute in triplicate an application, in the form prescribed by the commissioner, for permission to organize such an association before taking any other action in connection therewith.

(b) Upon execution of an application for permission to organize by seven responsible citizens (hereinafter in this section referred to as "applicants"), the original and two copies thereof shall be submitted to the commissioner. The applicants shall submit with their application the names and addresses of the applicants, the location of the proposed office, an itemized account of the financial condition of the proposed association and of the applicants, the amount and character of the proposed stock and shares, statements, exhibits, maps and such additional information as the commissioner may require,

together with an affidavit that the representations made thereby are consistent with the facts to the best of the applicants' information and belief. This data shall be sufficiently detailed and comprehensive to enable the commissioner to pass upon the application as to:

- (1) The character and responsibility of the applicants;
  - (2) The need for such association in the community to be served;
  - (3) Reasonable probability of its usefulness and success;
- and
- (4) Whether or not such an association can be established without undue injury to any properly conducted existing savings and loan institutions.

(c) If the commissioner approves the application he shall, within 30 days, notify all associations within 100 miles of the community where the applicant intends to establish an association. Any association so notified may, within 20 days, protest in writing the granting of the application. Within 30 days after receipt by the commissioner of such written protest, the commissioner shall fix a date for a hearing upon the protest, which hearing shall be held not earlier than 30 days nor more than 60 days from the date of receipt of written notice by registered mail by the parties.

(d) The commissioner shall approve or deny the application within 90 days from the date of the conclusion of the hearing and shall give all parties written notice of his decision on or before such date.

(e) If the commissioner approves the application, he shall establish as conditions to be met prior to the issuance of a charter requirements as to:

- (1) Minimum number of shares of permanent capital stock to be subscribed to the association's permanent capital, at least

75 percent of which in number of stockholders and dollar amount of capital must be subscribed by bona fide residents of the State of Nevada;

(2) Minimum amount of paid-in surplus;

(3) Minimum amount of investment certificates to be paid into the association's savings accounts upon issuance of a charter to it; and

(4) Such other requirements as he deems necessary or desirable. Approval of an application for permission to organize an association shall not in any manner obligate the commissioner to issue a charter, except that when all requirements of this chapter and of the commissioner have been fulfilled, he shall issue a charter.

[5. Prior to the issuance of a charter for a branch office of an existing association, the commissioner shall notify all associations doing business within a radius of 100 miles of the principal place of business of the applicant, and within a radius of 100 miles of the proposed branch office. Any association so notified may, within 20 days, protest in writing the granting of the application. Within 30 days after receipt by the commissioner of such written protest, the commissioner shall fix a date for a hearing upon the protest, which hearing shall be held not earlier than 60 days nor more than 90 days from the date of receipt of written notice by registered mail by the parties.

6.] (f) The charter shall expire 180 days from issuance, unless, within such time, the association has obtained insurance of accounts from the Federal Savings and Loan Insurance Corporation. The commissioner may, for good cause, extend the time of such conditional expiration of the charter for an additional period or periods not exceeding 360 days in the aggregate.

5. No association shall sell or issue any of its permanent stock until it has first applied for and secured from the commissioner a license authorizing it to operate as a savings and loan association under the laws of this state and until it has applied for and secured insurance of accounts under the rules and regulations of the Federal Savings and Loan Insurance Corporation.

[7.] 6. The commissioner may extend the time for any hearing provided for in this section, to the time agreed upon by the parties.

[8.] 7. Every application for permission to organize, as provided for in this section, shall be accompanied by a fee of \$500, which shall be paid into the general fund in the state treasury and no part of which shall be refunded.

[9.] 8. The commissioner may impose conditions requiring the impoundment of proceeds from the sale of any stock, limiting the expense in connection with the sale of stock, and such other conditions as are reasonable and necessary or advisable to insure the disposition of the proceeds from the sale of the stock in the manner and for the purposes provided in the permission to organize.

[10.] 9. Every permission to organize issued by the commissioner shall recite in bold type that the issuance thereof is permissive only and does not constitute a recommendation or endorsement of the organization or of the stock permitted to be issued.

[11.] 10. Any corporation making application under this section or authorized to organize or authorized to establish a savings and loan association shall provide for a minimum par value of its permanent capital stock of at least \$1 in its articles of incorporation.

[12.] 11. The removal of [any office] the home office or of any branch office of an association to any other location from its then-existing location requires prior approval of the commissioner.

[13.] 12. An application seeking such approval must be delivered to the commissioner, together with a fee payment to cover expenses attendant upon the investigation required for such approval, which shall be in an amount, not less than \$100 nor more than \$250, to be determined by the commissioner. No association shall pay any commissions or other compensation for the subscription to or sale of its stock.

Sec. 27. NRS 673.112 is hereby amended to read as follows:

673.112 1. A branch office is a legally established place of business of an association, other than the home office, authorized by the board of directors and approved by the commissioner, and at which any and all association business may be conducted.

2. All branch offices shall be subject to direction from the home office.

3. No association may establish or maintain a branch office without prior written approval of the commissioner. Each application for approval of the establishment and maintenance of a branch office shall:

(a) State the proposed location thereof, the need therefor, the functions to be performed therein, the estimated annual expense thereof and the mode of payment therefor.

(b) Be accompanied by a fee of \$250, no part of which shall be refunded.

(c) Be accompanied by a budget of the association for the current dividend period and for the next succeeding semiannual period, which reflects the estimated additional expense of the maintenance of such branch office.

4. After receipt of an application the commissioner shall determine:

(a) Whether the establishment and maintenance of the branch office will unduly injure any properly conducted existing association in the community where such branch office is proposed to be established or in any neighboring community; and

(b) Whether or not the establishment and maintenance of the branch office will serve the public interest.

5. Prior to the issuance of a charter for a branch office, the commissioner shall notify all associations doing business within a radius of 100 miles of the principal place of business of the applicant, and within a radius of 100 miles of the proposed branch office. Any association so notified may, within 20 days, protest in writing the granting of the application. Within 30 days after receipt by the commissioner of such written protest, the commissioner shall fix a date for a hearing upon the protest, which hearing shall be held not earlier than 60 days nor more than 90 days from the date of receipt of written notice by registered mail by the parties.

6. If the commissioner finds that no undue injury is likely to result, that the establishment and maintenance of such branch office is advisable and will serve the public interest, he may approve the application.

[6.] 7. Approval of an association's application for a branch office charter permits such association to establish an operating office in either a temporary or a permanent building, if such building is placed on or erected at the approved location within 6 months of such approval.

8. For good cause and after notice to the association, the commissioner may revoke his approval for the maintenance of a branch office. [Such] Failure to establish a branch office in the manner and within the time permitted under this section

constitutes good cause for revocation, unless a prior, written request for a waiver of the time limitation is sought by the association and an extension, in writing, is granted by the commissioner.

Any such revocation may be appealed by the association pursuant to the provisions of NRS 673.047.

[7.] 9. An association which maintains one or more branch offices shall give each branch office a specific designation by name and include in the designation the word "branch" and shall prominently display the designation at the place of business of the branch. When an association is operating a branch office or offices, all advertising of or by any such branch office shall state clearly the location of the principal office of such association.

Sec. 28. NRS 673.113 is hereby amended to read as follows:

673.113 1. Every association shall maintain [a banker's blanket surety] bond coverage with a bonding company [qualified to do business in this state,] which is acceptable to the commissioner and the Federal Savings and Loan Insurance Corporation for an amount to be determined by the commissioner not to exceed 5 percent of the total assets of the association, nor for an amount greater than \$3,000,000, covering all directors, officers, employees , [and] agents , [and] data processing service firms and all other operating hazards that are normally covered under such a [blanket] bond. The bond shall [insure the association.] be in the form known as Standard Form No. 22, its equivalent or some other form which may be acceptable to the Federal Savings and Loan Insurance Corporation and the commissioner. The bond coverage may allow for a deductible amount or provision adopted under Title 12, Code of Federal Regulations, Section 563.19(a), (b) and (c), and under any subsequent amendments thereto.

2. A true copy of the surety bond shall be placed in the custody of the commissioner and the original maintained in the office of the association at all times.

3. The surety bond shall provide that a cancellation thereof, either by the surety company or by the insured, shall not become effective [unless and] until 10 days' notice in writing is first given to the commissioner, or unless he earlier approves the cancellation [.] in writing.

4. When requested by the commissioner, the association shall provide a duplicate copy of the invoice showing that the bond premium has been paid or satisfied.

5. The face amount of the surety bond shall comply with the requirements of the Federal Savings and Loan Insurance Corporation.

Sec. 29. NRS 673.115 is hereby amended to read as follows:

673.115 1. No association shall issue or publish, or cause or permit to be issued or published, any advertisement that it is doing or is permitted to do any business which is prohibited by law to an association, or which misrepresents the nature of its shares, stock, investment certificates or the right of investors or depositors in respect thereto.

2. An association may set forth in any of its advertisements any of the purposes for which it is organized.

3. Associations shall not issue, circulate or publish any advertisement after notice in writing from the commissioner that in his opinion the advertisement is unauthorized, false, misleading or likely to deceive the public.

4. An association shall not:

(a) State in any advertisement that it is under state supervision or control.

(b) Include in any advertisement or in any instrument used by it a replica of the great seal of the State of Nevada.



(c) State or imply in any advertisement that funds may be invested with such association at any place other than the principal office or branch of the association.

(d) Use the word "deposit" or "deposits" in any form of advertising [.] , unless the use of such word is authorized in the advertising of a federal savings and loan association pursuant to federal law.

5. No association [shall] may offer or deliver any gift or premium to any investor [of] or saver of an investment certificate or to any savings member in excess of basic cost to the association of \$2.50.

Sec. 30. NRS 673.225 is hereby amended to read as follows:

673.225 1. Notwithstanding any other provision of this chapter, every company, association or corporation licensed under the provisions of this chapter whose accounts are insured by the Federal Savings and Loan Insurance Corporation or its successor, or which is a member of a federal home-loan bank or its successor [,] as an insured association, shall possess the same rights, powers, privileges, immunities and exceptions which are possessed by any federally chartered association.

2. When more permissive lending and investment privileges and provisions regarding [payments] payment of interest [and dividends] to savers or savings account holders, establishment of savings accounts, the acceptance of which has been approved by the Nevada Supervisory Authority and the Federal Savings and Loan Insurance Corporation or other powers, privileges, immunities and exceptions are extended to federally chartered associations, the same shall be extended to every [company,] federally insured association or corporation licensed under the provisions of this chapter . [whose accounts are insured by the Federal Savings and Loan Insurance Corporation or its successor, or which is a member of a federal home-loan bank or its successor.]

Sec. 31. NRS 673.270 is hereby amended to read as follows:

673.270 1. No person shall, as a soliciting agent, soliciting representative or employee of any such foreign or domestic company, association or corporation, or in any other capacity, sell or solicit sales for any [such] securities such as investment certificates or savings accounts or contract for the sale of securities until he shall have first been licensed as a salesman or solicitor for sales of such securities by the commissioner.

2. No person shall be licensed for a period of more than 1 year, and he shall not be licensed until he has first satisfied the commissioner as to his personal integrity.

3. For the issuing of any license provided for in this section and for any renewal thereof, the fee of the commissioner shall be [\$2.] \$5. All sums so received by the commissioner shall be [forthwith] delivered to the state treasurer and shall be paid into the general fund in the state treasury.

4. Tellers or other employees of an insured savings and loan association are exempt from such licensing requirements unless their employment entails soliciting sales outside their respective offices as commission salesmen.

Sec. 32. NRS 673.274 is hereby amended to read as follows:

673.274 1. No association whose stock, surplus, undivided profits and reserves are less than the amount specified in NRS 673.273 may:

(a) Issue investment certificates or withdrawal [shares] accounts except in lieu of investment certificates or withdrawal [shares] accounts theretofore issued.

(b) Receive additional funds upon investment certificates or withdrawal [shares] accounts other than installment investment certificates or installment withdrawal [shares.] accounts.

2. The provisions of this section shall not prevent the crediting to investment certificates of interest earned thereon, or the crediting to withdrawal [shares of dividends or earnings] accounts of interest thereon, if the payment of such interest [or dividends] is not otherwise prohibited by the provisions of this chapter.

Sec. 33. NRS 673.276 is hereby amended to read as follows:

673.276 1. An association shall have the power to invest in:

(a) Without limit, obligations of, or obligations guaranteed as to principal and interest by, the United States or any state.

(b) Stock of a federal home-loan bank of which it is eligible to be a member.

(c) Any obligations or consolidated obligations of any federal home-loan bank or banks.

(d) Stock or obligations of the Federal Savings and Loan Insurance Corporation.

(e) Stock or obligations of a national mortgage association or any successor or successors thereto.

(f) Demand, time or savings deposits with any bank or trust company, the deposits of which are insured by the Federal Deposit Insurance Corporation.

(g) Stock or obligations of any corporation or agency of the United States or any state, or in deposits therewith to the extent that such corporation or agency assists in furthering or facilitating the association's purposes or powers.

(h) Savings accounts of any insured state-licensed association and of any federal savings and loan association, but each investment in any such other savings and loan association shall be fully insured by the Federal Savings and Loan Insurance Corporation.

(i) Bonds, notes or other evidences of indebtedness which are

general obligations of any city, town, county, school district or other municipal corporation or political subdivision of any state.

2. An association may invest any portion of its funds in loans to its borrowing members secured by first lien deeds of trust or mortgages upon real property. Additional loans or advances on the same property, without intervening liens, shall be deemed to be first liens for the purpose of this chapter, but no one nonresidential loan can be made in excess of 2 percent of the total [assets] savings accounts of the association [.] unless approved in writing by the commissioner.

3. [An] No association may create loans by investment in real property [within 100] further than 50 miles [of] from its home office, [and such] unless it has the prior, written approval of the commissioner. Such investment may include the subdivision and development of such real property principally for residential use. No association shall have investments under this subsection at any time greater than 5 percent of its assets. No investment made pursuant to this subsection may be held by an association for more than 3 years except with the written permission of the commissioner.

Sec. 34. NRS 673.324 is hereby amended to read as follows:

673.324 An association may make real property loans to eligible members on the direct reduction plan, repayable in monthly installments, equal or unequal, sufficient to retire the debt, interest and principal within 30 years, except that this 30-year limitation shall not apply to loans made by an association which are insured by the Federal Housing Administration, [or] which are guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as heretofore, now or hereafter in force, [or] which are otherwise insured or guaranteed by the United States or any agency or instrumentality

thereof [,] or which have been extended in time solely as a result of variances in interest rates during the loan term, but the loan contract shall not provide for any subsequent monthly installment of an amount larger than any other previous monthly installment in excess of 50 percent. The monthly payments required shall be applied first to advances and interest on the unpaid balance of the debt and the remainder to the reduction of the debt until the same is paid in full.

Sec. 35. NRS 673.3271 is hereby amended to read as follows:

673.3271 1. No association shall [hold] make at one time loans to any one borrower, or under any one transaction, or applicable to any one project, or tract, if the loans in the aggregate are in excess of whichever of the following is the lesser:

(a) [Ten] Five percent of its total [assets.] savings accounts, unless such requirement is waived by written approval of the commissioner.

(b) An amount equal to the sum of its capital, surplus, undivided profits, loan reserve, federal insurance reserve, capital notes and such other reserves as the commissioner may prescribe.

2. For the purpose of this section, the term "one borrower" means:

(a) Any person or entity that is, or that upon the making of a loan will become, obligor on a loan on the security of real estate.

(b) Nominees of such obligor.

(c) All persons, trust, partnerships, syndicates and corporations of which such obligor is a nominee or a beneficiary, partner, member, or stockholder of record or beneficial interest stockholder owning 10 percent or more of the capital stock [.] of any corporation.

(d) If such obligor is a trust, partnership, syndicate or corporation, all trusts, partnerships, syndicates and corporations of which any beneficiary, partner, member, or stockholder of record or beneficial interest stockholder owning 10 percent or more of the capital stock is also a beneficiary, partner, member or stockholder of record or beneficial interest stockholder owning 10 percent or more of the capital stock of such association.

3. For the purpose of this section, the term "loans to any one borrower" means the amount of the new loan plus the total balances of all outstanding loans on the security of real estate owed to the association by such borrower. Notwithstanding any other limitations of this section, any such loan may be made if the new loan when added to the total balances of all outstanding loans on the security of real estate owed to the association by such borrower does not exceed \$100,000.

4. For the purpose of this section, the term "balances of all outstanding loans" means the original amounts loaned by the association plus any additional advances and interest due and unpaid, less repayments and participating interests sold and exclusive of any loan on the security of real estate the title to which has been conveyed to a bona fide purchaser of such real estate.

5. If an association makes a loan to any one borrower, as defined in this [section,] chapter, in an amount which, when added to the total balances of all outstanding loans on the security of real estate owed to the association by such borrower, exceeds \$100,000, the records of such association with respect to such loan shall include documentation showing that such loan was made within the limitations of this [section.] chapter. For the purpose of such documentation, the association may require,

and may accept in good faith, a certification by the borrower identifying the persons, entities and interests described in the definition of one borrower in subsection 2.

Sec. 36. NRS 673.333 is hereby amended to read as follows:

673.333 1. The apportionment of earnings or payment of interest by declaration of the board of directors shall be made semiannually on June 30 and December 31 of each year, or quarterly on such dates, plus March 31 and September 30 of each year.

2. The percentage rate of the declaration shall be determined by the board of directors as it shall deem expedient for the safety and security of all members and investors; but if such percentage rate is excessive, unjust or inequitable, it shall be subject to disapproval of, and reduction by, the commissioner. However, the association may appeal any disapproval or reduction by the commissioner to the board.

3. No association shall be required to pay or credit interest on accounts of \$10 or less [.] which show no entries of debit or credit for a period of 2 years, except for accumulated interest credits.

4. Except as otherwise provided in this chapter, interest shall be declared on the participation value of each account at the beginning of the interest period, plus payments thereon made during the interest period, less amounts withdrawn, which for interest purposes shall be deducted from the latest previous payments thereon, computed at the rate for the time invested, determined as provided in this section.

5. The date of investment shall be the date of actual receipt by the association, except that the board of directors may fix a date, which shall not be later than the [20th] 10th day of the month, for determining the date of investment on which interest shall be computed. [The] A date later than the 10th

may be set if it is permissible for federal associations. If permitted by federal regulations, as amended, the board of directors may permit investments to receive interest calculated from the date of actual receipt.

6. In addition to the classes of savings accounts provided for in this chapter, an association may, with the approval of its board of directors, authorize additional classes of savings accounts [, providing the information about such additional classes of accounts is made available to all savings account holders.] which will conform to those types or classes, which have been established by the Federal Home Loan Bank Board by regulation or which may be hereafter authorized by it.

Sec. 37. NRS 673.360 is hereby amended to read as follows:

673.360 1. [Shares, share accounts] A savings account or investment certificates of any such association or company, including a federal savings and loan association, may be purchased and held by any person as administrator, executor, guardian, or as trustee or other fiduciary, in trust for a named beneficiary or beneficiaries.

2. Any person holding [shares or share accounts] a savings account as such fiduciary shall have power to vote as a member as though the [shares or share accounts] savings account were held absolutely, and any such fiduciary shall have the power to make payments upon, and to withdraw , [or repurchase,] in whole or in part, any such [shares, share accounts] savings account or investment certificates.

3. The withdrawal [or repurchase] value of any such [shares, share accounts] savings account or investment certificates, and [dividends or] interest thereon, or other rights relating thereto, may be paid or delivered to such fiduciary, and the payment or delivery to any such fiduciary, or a receipt or acquittance signed by any such fiduciary, to whom any such payment or any



such delivery of rights is made shall be a valid and sufficient release and discharge of any such association or company for the payment or delivery so made.

Sec. 38. NRS 673.370 is hereby amended to read as follows:

673.370 1. Whenever a person holding [shares, share accounts] a savings account or investment certificates as trustee or other fiduciary, in trust for a named beneficiary or beneficiaries, dies, and no written notice of the revocation or termination of the trust relationship shall have been given to any such association or company, the withdrawal [or repurchase] value of such [shares, share accounts] savings account or investment certificates, and [dividends or] interest thereon, or other rights relating thereto, may, at the option of the association or company, be paid or delivered, in whole or in part, to the named beneficiary or beneficiaries of such trust.

2. The payment or delivery to any such beneficiary or beneficiaries, or a receipt or acquittance signed by any such beneficiary or beneficiaries for any such payment or delivery, shall be a valid and sufficient release and discharge of any such association or company for the payment or delivery so made.

Sec. 39. NRS 673.410 is hereby amended to read as follows:

673.410 1. If any association, company or corporation organized or incorporated under the laws of any governing body other than the State of Nevada is doing business in this state under the provisions of this chapter, and the laws of such other governing body conflict with any of the provisions of NRS 673.380 and 673.390, the provisions of the laws of [such other] this governing body shall prevail as to each such conflict.

2. Whenever any such foreign organization follows a course or performs any act which is forbidden to any domestic organization under the terms of NRS 673.380 and 673.390, it shall report to the commissioner all of the facts relating thereto.

Sec. 40. NRS 673.430 is hereby amended to read as follows:

673.430 1. Each such foreign or domestic association, company or corporation doing business in this state shall cause to be filed annually with the commissioner on or before March 1, a sworn statement in two sections.

2. One section of the annual report shall contain, in such form and detail as the commissioner may prescribe, the following:

(a) The amount of authorized capital by classes and the par value of each class of shares.

(b) A statement of its assets and liabilities at the close of its last fiscal year.

(c) Salaries paid to each of its officers and to its manager, if any, during its last fiscal year.

(d) The total of its liability to investors at the close of its last fiscal year.

(e) Any other facts which the commissioner may require.

This section of the annual report shall be furnished in duplicate, one copy, duly certified as such, to be returned to the reporting organization, which, with the exception of paragraph (c) of subsection 2, shall be published at least two times in some newspaper having a general circulation in the county in which the association maintains an office. Publication shall be completed on or before May 1, and proof thereof shall be filed in the office of the commissioner.

3. One section of the annual report shall contain such other information as the commissioner may require to be furnished therein. This section need not be published and shall be treated as confidential by the commissioner.

4. Every association shall be required to pay to the commissioner for supervision and examination:

(a) An annual fee of \$200 for each home office, and an annual

assessment on its gross assets computed per \$1,000 as of December 31 of the preceding year at the rate of 15 cents per \$1,000 of gross assets.

(b) An annual fee of \$100 for each branch office.

5. The commissioner shall determine from the annual statement the amount due from each association and shall submit a bill to the association for such amount by March 15. A penalty of 10 percent of the fee payable shall be charged for each month or part thereof that the fees are not paid after April 15 of each year.

6. All sums so received by the commissioner shall be forthwith delivered to the state treasurer and shall be paid into the general fund in the state treasury.

[7. At the time of filing its annual report, every foreign savings and loan association, company or corporation, doing business in this state, whether or not doing business by and through agents or representatives in this state, except federally chartered savings and loan associations having their home offices located within the State of Nevada, shall be required to obtain a license to do business within the State of Nevada. The license shall be issued by the commissioner in accordance with the provisions of NRS 673.080 and shall be subject to the provisions of NRS 673.260.]

Sec. 41. NRS 673.450 is hereby amended to read as follows:

673.450 1. The commissioner is authorized to [make] conduct or cause to be [made] conducted such hearings, investigations or examinations of the books and records, wherever they may be, [and of] relating to the affairs of such organizations as he may deem expedient [.] and in aid of the proper administration of the provisions of this chapter.

2. In connection with the [provisions of this section the commissioner shall have full access to, and may compel the

production of, all books, papers, moneys, securities and records of such organization and may administer oaths.) conduct of any such hearing, investigation or examination, the commissioner or other person designated by him to conduct the same shall have power to:

(a) Compel the attendance of any person by subpoena.

(b) Administer oaths.

(c) Examine any person under oath concerning the business and conduct of affairs of any association subject to the provisions of this chapter, and pursuant thereto to require the production of any books, papers, records, moneys and securities relevant to the inquiry. Any willful false swearing shall be deemed perjury and shall be punishable as such.

Sec. 42. NRS 673.485 is hereby amended to read as follows:

673.485 1. If the commissioner finds as the result of any examination or from any report made to him or to any association doing business in this state or from any report made to any of its investors that the association is violating the provisions of its articles of incorporation, charter, bylaws, or any law of this state, or is conducting its business in an unsafe or injurious manner, he may by an order addressed to such association direct a discontinuance of such violations or unsafe or injurious practices and a conformity with all the requirements of law.

2. If an association does not comply with such order, the commissioner may order the corporate secretary to call a special directors' meeting to consider the matter of noncompliance.

3. The meeting shall be held no later than 60 days after issuance of the order to hold the meeting, unless otherwise restrained by court order or by the board. The business of the meeting shall be limited to the matter of noncompliance and

remedies therefor and the notice of such meeting shall set forth in detail the commissioner's discontinuance order and order to call a directors' meeting.

4. Action taken at the meeting shall be binding upon the officers of the association.

Sec. 43. NRS 673.495 is hereby amended to read as follows:

673.495 1. The commissioner may, with the prior approval of the board, [demand and take possession of the property, business and assets of an] appoint a conservator for such association if any of the following occur:

[1.] (a) The association does not comply with [the] any order given pursuant to NRS 673.485, within the time specified therein.

[2.] (b) It appears to the commissioner that the association is in an unsafe condition or is conducting its business in an unsafe or injurious manner such as to render its further proceeding hazardous to the public or to any or all of its investors.

[3.] (c) The commissioner finds that the association's assets are impaired to such an extent that, after deducting all liabilities other than to its investors they do not equal or exceed the sum of the value of its outstanding [shares] savings accounts and investment certificates and the par value of its outstanding stock.

[4.] (d) The association refuses to submit its books, papers and accounts to the inspection of the commissioner or any of his examiners, deputies or assistants.

[5.] (e) Any officer of the association refuses to be examined upon oath concerning the affairs of the association.

(f) It appears to the commissioner that false reports have been filed with his office.

2. The conservator may be the commissioner, his deputy or any person qualified for such appointment.

3. Immediately upon appointment, the conservator shall petition the district court of the county in which the home office of the association is located for confirmation of his appointment. Such court shall have exclusive jurisdiction to determine the issues and all related matters and it shall give precedence to such conservatorship proceedings and expedite the proceedings in every way.

Sec. 44. NRS 673.576 is hereby amended to read as follows:

673.576 If the commissioner is in possession of the business, property and assets of an association, whether or not he is liquidating the affairs of such association, the commissioner may:

1. [Apply to the district court of the county in this state in which the principal office of the association is located for an order confirming any action taken by the commissioner, or authorizing the commissioner to do any act or execute any instrument not expressly authorized by NRS 673.485 to 673.577, inclusive. The order shall be given after a hearing on such notice as the court prescribes.

2.] Pay and discharge any secured claims against the association. No secured claim shall be paid in an amount larger than the value of the security at the time of payment.

[3.] 2. Pay administrative or current expenses incurred prior to the taking of possession which are necessary or convenient to the orderly or economic liquidation or preservation of the assets, and pay all wages or salaries, in amounts not exceeding [\$250 per month to any one person, earned within 6 months prior to the taking of possession, whether or not claims for such expenses, wages or salaries have been presented for payment.] such amounts as are normally paid to officers and employees. No salary increases shall be proposed or consented

to by the commissioner, conservator or receiver. The number of staff members which are required or needed for the operation of the association shall be determined by the commissioner.

[4.] 3. Disaffirm any executory contracts, including leases, to which the association is a party, and disaffirm any partially executed contracts, including leases, to the extent that they remain executory. The disaffirmance shall be made within 6 months after obtaining knowledge of the existence of the contract or lease.

Sec. 45. NRS 673.630 is hereby amended to read as follows:

673.630 1. After the holding of the meeting of shareholders, the state company, association or corporation shall take such action, in the manner prescribed or authorized by the laws of the United States or the rules and regulations promulgated pursuant thereto, as shall make it a federal savings and loan association, and there shall thereupon be filed in the office of the commissioner a copy of the charter of authorization issued to such company, association or corporation by the Federal Home Loan Bank Board or a certificate showing the organization of such company, association or corporation as a federal savings and loan association, certified by the Federal Home Loan Bank Board. Upon such filing with the commissioner, the company, association or corporation shall cease to be a state building and loan association, company or corporation, but it shall still retain all rights, privileges and exemptions of a domestic company, association or corporation of the same kind and character.

2. A fee of \$20 shall accompany the copy of the charter of authorization.

3. Federal associations so converted and their members are subject to the same form of taxation and on the same basis as state associations and their members.

Sec. 46. NRS 236.010 is hereby amended to read as follows:

236.010 1. The following days are declared to be legal holidays for state and county government offices:

January 1 (New Year's Day)

May 30 (Memorial Day)

July 4 (Independence Day)

First Monday in September (Labor Day)

October 31 (Nevada Day)

November 11 (Veterans' Day)

Thanksgiving Day

December 25 (Christmas Day)

Any day that may be appointed by the President of the United States or by the governor for public fast, thanksgiving or legal holiday.

2. All state and county offices, courts, banks, savings and loan associations and the University of Nevada shall close on the holidays enumerated in subsection 1 unless in the case of appointed holidays all or part thereof are specifically exempted.

3. If January 1, May 30, July 4, October 31, November 11 or December 25 shall fall upon a Sunday, the Monday following shall be observed as a holiday.

Sec. 47. NRS 673.290 and 673.505 are hereby repealed.