§ 563b.380 May my employee stock ownership plan purchase conversion shares?

(a) Your tax-qualified employee stock ownership plan may purchase up to 10 percent of the total offering of your conversion shares.

(b) If OTS approves a revised stock valuation range as described in §563b.330(e), and the final conversion stock valuation range exceeds the former maximum stock offering range, you may allocate conversion shares to your tax-qualified employee stock ownership plan, up to the 10 percent limit in paragraph (a) of this section.

(c) If your tax-qualified employee stock ownership plan is not able to or chooses not to purchase stock in the offering, it may, with prior OTS approval and appropriate disclosure in your offering circular, purchase stock in the open market, or purchase authorized but unissued conversion shares.

(d) You may include stock contributed to a charitable organization in the conversion in the calculation of the total offering of conversion shares under paragraphs (a) and (b) of this section, unless OTS objects on supervisory grounds.

§ 563b.385 May I impose any purchase limitations?

(a) You may limit the number of shares that any person, group of associated persons, or persons otherwise acting in concert, may subscribe to up to five percent of the total stock sold.

(b) If you set a limit of five percent under paragraph (a) of this section, you may modify that limit with OTS approval to provide that any person, group of associated persons, or persons otherwise acting in concert subscribing for five percent, may purchase between five and ten percent as long as the aggregate amount that the subscribers purchase does not exceed 10 percent of the total stock offering.

(c) You may require persons exercising subscription rights to purchase a minimum number of conversion shares. The minimum number of shares must equal the lesser of the number of shares obtained by a $500 subscription or 25 shares.

(d) In setting purchase limitations under this section, you may not aggregate conversion shares attributed to a person in your tax-qualified employee stock ownership plan with shares purchased directly by, or otherwise attributable to, that person.

§ 563b.390 Must I provide a purchase preference to persons in my local community?

(a) In your subscription offering, you may give a purchase preference to eligible account holders, supplemental eligible account holders, and voting members residing in your local community.

(b) In your community offering, you must give a purchase preference to natural persons residing in your local community.

§ 563b.395 What other conditions apply when I offer conversion shares in a community offering, a public offering, or both?

(a) You must offer and sell your stock to achieve a widespread distribution of the stock.

(b) If you offer shares in a community offering, a public offering, or both, you must first fill orders for your stock up to a maximum of two percent of the conversion stock on a basis that will promote a widespread distribution of stock. You must allocate any remaining shares on an equal number of shares per order basis until you fill all orders.

Completion of the Offering

§ 563b.400 When must I complete the sale of my stock?

You must complete all sales of your stock within 45 calendar days after the last day of the subscription period, unless the offering is extended under §563b.405.

§ 563b.405 How do I extend the offering period?

(a) You must request, in writing, an extension of any offering period.

(b) OTS may grant extensions of time to sell your shares. OTS will not grant
any single extension of more than 90

days.

(c) If OTS grants your request for an
extension of time, you must provide a
post-effective amendment to the offer-
ing circular under §563b.310 to each
person who subscribed for or ordered
stock. Your amendment must indicate
that OTS extended the offering period
and that each person who subscribed
for or ordered stock may increase, de-
crease, or rescind their subscription or
order within the time remaining in the
extension period.

COMPLETION OF THE CONVERSION

§ 563b.420 When must I complete my
conversion?

(a) In your plan of conversion, you
must set a date by which the conver-
sion must be completed. This date
must not be more than 24 months from
the date that your members approve
the plan of conversion. The date, once
set, may not be extended by you or by
OTS. You must terminate the conver-
sion if it is not completed by that date.

(b) Your conversion is complete on
the date that you accept the offers for
your stock.

§ 563b.425 Who may terminate the con-
version?

(a) Your members may terminate the
conversion by failing to approve the
conversion at your members’ meeting.

(b) You may terminate the conver-
sion before your members’ meeting.

(c) You may terminate the conver-
sion after the members’ meeting only if
OTS concurs.

§ 563b.430 What happens to my old
charter?

(a) If you are a federally chartered
mutual savings association or savings
bank, and you convert to a federally
chartered stock savings association or
savings bank, you must apply to OTS
to amend your charter and bylaws con-
sistent with part 552 of this chapter.

(b) Your new or amended charter
must require you to establish and
maintain a liquidation account for eli-
gible and supplemental eligible ac-
count holders under §563b.450.

§ 563b.435 What happens to my cor-
porate existence after conversion?

Your corporate existence will con-
tinue following your conversion, unless
you convert to a state-chartered stock
savings association and state law pre-
scribes otherwise.

§ 563b.440 What voting rights must I
provide to stockholders after the
conversion?

You must provide your stockholders
with exclusive voting rights, except as
provided in §563b.445(c).

§ 563b.445 What must I provide my
savings account holders?

(a) You must provide each savings ac-
count holder, without payment, a
withdrawable savings account or ac-
counts in the same amount and under
the same terms and conditions as their
accounts before your conversion.

(b) You must provide a liquidation
account for each eligible and supple-
mental eligible account holder under
§563b.450.

(c) If you are a state-chartered sav-
ings association and state law requires
you to provide voting rights to savings
account holders or borrowers, your
charter must:

(1) Limit these voting rights to the
minimum required by state law; and