

CHAPTER 411

(House Bill 143)

AN ACT concerning

Building, Savings and Loan Associations - Creditor
Priorities

FOR the purpose of providing for the priority of claims against a building, savings and loan association in the event of a liquidation, dissolution, or winding up of the association, or in the event of any situation in which the priority of claims against the association is in controversy.

BY adding to

Article 23 - Corporations
Section 161X(c)
Annotated Code of Maryland
(1973 Replacement Volume and 1974 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 161X(c) be and it is hereby added to Article 23 - Corporations, of the Annotated Code of Maryland (1973 Replacement Volume and 1974 Supplement) to read as follows:

Article 23 - Corporations

161X.

(C) IN THE EVENT OF VOLUNTARY OR INVOLUNTARY LIQUIDATION, DISSOLUTION, OR WINDING UP OF THE AFFAIRS OF AN ASSOCIATION, OR IN THE EVENT OF ANY OTHER SITUATION IN WHICH THE PRIORITY OF CLAIMS AGAINST AN ASSOCIATION IS IN CONTROVERSY, THE CLAIMS OF FREE SHAREHOLDERS [[OR HOLDERS OF SAVINGS DEPOSITS]] OF AN ASSOCIATION ARE SUBORDINATE TO THE CLAIMS OF GENERAL CREDITORS OF THE ASSOCIATION OR HOLDERS OF SAVINGS DEPOSITS. THE CLAIMS OF ALL FREE SHAREHOLDERS OF THE ASSOCIATION, INCLUDING HOLDERS OF CERTIFICATES OF DEPOSIT, CHRISTMAS CLUB, AND VACATION CLUB ACCOUNTS, OR ANY OTHER TYPE OF ACCOUNT, ARE EQUAL AND ARE ENTITLED TO A PRO RATA DISTRIBUTION. THE CLAIMS OF FREE SHAREHOLDERS ARE SUPERIOR TO THE CLAIMS OF GUARANTY STOCKHOLDERS IN AN ASSOCIATION.