

1985.

EXECUTIVE ORDER OF NOVEMBER 12, 1985

01.01.1985.32

SAVINGS AND LOAN ASSOCIATIONS - EMERGENCY REGULATIONS

WHEREAS, On May 17, 1985, the General Assembly passed seven emergency bills to remedy the problem of financial instability in savings and loan associations, which bills were signed into law and became effective on May 18, 1985; and

WHEREAS, Chapter 1 of the Laws of the 1985 Extraordinary Session (Senate Bill 1) provides broad authority to the Governor to effectively manage the emergency situation, including the authority to exercise the powers of the Board of Savings and Loan Commissioners and the Director of the Division of Savings and Loan Associations; and

WHEREAS, Extensive investigation has revealed that certain savings and loan associations which have been found to have been operating in an unsafe and unsound manner had been involved in substantial insider transactions which threatened the liquidity and solvency of the association; and

WHEREAS, Investigation has revealed that certain savings and loan associations used complicated corporate structures, including parents, subsidiaries and affiliates, in order to avoid Maryland laws and regulations and thereby carry out unsafe and unsound practices; and

WHEREAS, Immediate changes in existing regulations of the Division of Savings and Loan Associations are required in order to protect the welfare of depositors of the State of Maryland preventing further practices which have impaired the liquidity or solvency of certain savings and loan associations or, which have led to unsafe or unsound operations;

NOW, THEREFORE, I, HARRY HUGHES, GOVERNOR OF THE STATE OF MARYLAND, BY VIRTUE OF THE AUTHORITY VESTED IN ME BY THE CONSTITUTION AND LAWS OF MARYLAND, INCLUDING BUT NOT LIMITED TO ARTICLE 41, §§ 15B, 15B-2, AND 15B-3, HEREBY PROCLAIM THAT A STATE OF PUBLIC CRISIS AND EMERGENCY EXISTS WITHIN THE STATE OF MARYLAND AND HEREBY ORDER THAT THE REGULATIONS AND AMENDMENTS TO REGULATIONS SET FORTH IN ATTACHMENT "A" HERETO ARE HEREBY ADOPTED TO APPLY PROSPECTIVELY AS REGULATIONS OF THE DIVISION OF SAVINGS AND LOAN