

tariff law and which have remained in continuous customs custody or under a customs exhibition bond and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That the International Food Exposition, Incorporated, a corporation, shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this Act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for, articles imported under the provisions of this Act, shall be reimbursed by the International Food Exposition, Incorporated, a corporation, to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930, as amended (U. S. C., 1940 edition, title 19, sec. 1524).

Approved August 17, 1950.

Reimbursement to
U. S. Government.

46 Stat. 741.

[CHAPTER 729]

AN ACT

To provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes.

August 17, 1950
[H. R. 1161]
[Public Law 706]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

National banking
associations.
Mergers with State
banks, etc.

DEFINITIONS

SECTION 1. (a) As used in this Act the term "State bank" means any bank, banking association, trust company, savings bank (other than a mutual savings bank), or other banking institution which is engaged in the business of receiving deposits and which is incorporated under the laws of any State, any Territory of the United States, Puerto Rico, or the Virgin Islands, or which is operating under the Code of Law for the District of Columbia (except a national banking association).

"State bank."

(b) For purposes of merger or consolidation under this Act the term "national banking association" means one or more national banking associations, and the term "State bank" means one or more State banks.

"National banking
association."

CONVERSION OF NATIONAL BANK INTO AND MERGER OR
CONSOLIDATION WITH STATE BANK; PROCEDURE

SEC. 2. A national banking association may, by vote of the holders of at least two-thirds of each class of its capital stock, convert into, or merge or consolidate with, a State bank in the same State in which the national banking association is located, under a State charter, in the following manner:

(a) The plan of conversion, merger, or consolidation must be approved by a majority of the entire board of directors of the national banking association. The bank shall publish notice of the time, place, and object of the shareholders' meeting to act upon the plan, in some newspaper with general circulation in the place where the principal office of the national banking association is located, at least once a

Approval of plan.

week for four consecutive weeks: *Provided*, That newspaper publication may be dispensed with entirely if waived by all the shareholders and in the case of a merger or consolidation one publication at least ten days before the meeting shall be sufficient if publication for four weeks is waived by holders of at least two-thirds of each class of capital stock and prior written consent of the Comptroller of the Currency is obtained. The national banking association shall send such notice to each shareholder of record by registered mail at least ten days prior to the meeting, which notice may be waived specifically by any shareholder.

Dissenting shareholders.

(b) A shareholder of a national banking association who votes against the conversion, merger, or consolidation, or who has given notice in writing to the bank at or prior to such meeting that he dissents from the plan, shall be entitled to receive in cash the value of the shares held by him, if and when the conversion, merger, or consolidation is consummated, upon written request made to the resulting State bank at any time before thirty days after the date of consummation of such conversion, merger, or consolidation, accompanied by the surrender of his stock certificates. The value of such shares shall be determined as of the date on which the shareholders' meeting was held authorizing the conversion, merger, or consolidation, by a committee of three persons, one to be selected by unanimous vote of the dissenting shareholders entitled to receive the value of their shares, one by the directors of the resulting State bank, and the third by the two so chosen. The valuation agreed upon by any two of three appraisers thus chosen shall govern; but, if the value so fixed shall not be satisfactory to any dissenting shareholder who has requested payment as provided herein, such shareholder may within five days after being notified of the appraised value of his shares appeal to the Comptroller of the Currency, who shall cause a reappraisal to be made, which shall be final and binding as to the value of the shares of the appellant. If, within ninety days from the date of consummation of the conversion, merger, or consolidation, for any reason one or more of the appraisers is not selected as herein provided, or the appraisers fail to determine the value of such shares, the Comptroller shall upon written request of any interested party, cause an appraisal to be made, which shall be final and binding on all parties. The expenses of the Comptroller in making the reappraisal, or the appraisal as the case may be, shall be paid by the resulting State bank. The plan of conversion, merger, or consolidation shall provide the manner of disposing of the shares of the resulting State bank not taken by the dissenting shareholders of the national banking association.

SAME ENTITY

Termination of franchise.

SEC. 3. The franchise of a national banking association as a national banking association shall automatically terminate when its conversion into or its merger or consolidation with a State bank under a State charter is consummated and the resulting State bank shall be considered the same business and corporate entity as the national banking association, although as to rights, powers, and duties the resulting bank is a State bank. Any reference to such national banking association in any contract, will, or document shall be considered a reference to the State bank if not inconsistent with the provisions of the contract, will, or document or applicable law.

CONTRAVENTION WITH STATE LAW

SEC. 4. No conversion of a national banking association into a State bank or its merger or consolidation with a State bank shall take place

under this Act in contravention of the law of the State in which the national banking association is located; and no such conversion, merger, or consolidation shall take place under this Act unless under the law of the State in which such national banking association is located State banks may without approval by any State authority convert into and merge or consolidate with national banking associations as provided by Federal law.

CONSENT OF FEDERAL AGENCIES

SEC. 5. Section 12B (v) (4) of the Federal Reserve Act (title 12, U. S. C., sec. 264 (v) (4)), is amended to read as follows:

49 Stat. 701.

“(4) Without prior written consent by the Corporation, no insured bank shall (a) merge or consolidate with any noninsured bank or institution or convert into a noninsured bank or institution or (b) assume liability to pay any deposits made in, or similar liabilities of, any noninsured bank or institution or (c) transfer assets to any noninsured bank or institution in consideration of the assumption of liabilities for any portion of the deposits made in such insured bank. No insured bank shall convert into an insured State bank if its capital stock, or its surplus will be less than the capital stock or surplus, respectively, of the converting bank at the time of the shareholders’ meeting approving such conversion, without prior written consent by the Comptroller of the Currency if the resulting bank is to be a District bank, or by the Board of Governors of the Federal Reserve System if the resulting bank is to be a State member bank (except a District bank), or by the Corporation if the resulting bank is to be a State nonmember insured bank (except a District bank). No insured bank shall (a) merge or consolidate with an insured State bank under the charter of a State bank or (b) assume liability to pay any deposits made in another insured bank, if the capital stock or surplus of the resulting or assuming bank will be less than the aggregate capital stock or aggregate surplus, respectively, of all the merging or consolidating banks or of all the parties to the assumption of liabilities, at the time of the shareholders’ meetings which authorized the merger or consolidation or at the time of the assumption of liabilities, unless the Comptroller of the Currency shall give prior written consent if the assuming bank is to be a national bank or the assuming or resulting bank is to be a District bank; or unless the Board of Governors of the Federal Reserve System gives prior written consent if the assuming or resulting bank is to be a State member bank (except a District bank); or unless the Corporation gives prior written consent if the assuming or resulting bank is to be a nonmember insured bank (except a District bank). No insured State nonmember bank (except a District bank) shall, without the prior consent of the Corporation, reduce the amount or retire any part of its common or preferred capital stock, or retire any part of its capital notes or debentures.”

CONTINUED DEPOSIT INSURANCE

SEC. 6. Section 12B (e) (2) of the Federal Reserve Act (title 12, U. S. C., sec. 264 (e) (2)), is amended by adding at the end thereof the following sentences: “A State bank, resulting from the conversion of an insured national bank, shall continue as an insured bank. A State bank, resulting from the merger or consolidation of insured banks, or from the merger or consolidation of a noninsured bank or institution with an insured State bank, shall continue as an insured bank.”

49 Stat. 687.

EFFECT OF TERMINATION OF INSURANCE OF MEMBER BANKS

49 Stat. 691.
Ante, p. 457.

SEC. 7. The last sentence of section 12B (i) (2) of the Federal Reserve Act (12 U. S. C., sec. 264 (1) (2)), is amended to read as follows: "Except as provided in paragraph (2) of subsection (e) of this section, whenever a member bank shall cease to be a member of the Federal Reserve System, its status as an insured bank shall, without notice or other action by the board of directors, terminate on the date the bank shall cease to be a member of the Federal Reserve System, with like effect as if its insured status had been terminated on said date by the board of directors after proceedings under paragraph (1) of this subsection."

CONTINUED MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM

38 Stat. 259.

SEC. 8. Section 9 of the Federal Reserve Act (title 12, U. S. C., sec. 321), as amended, is amended by inserting after the first paragraph thereof the following new paragraph:

"Upon the conversion of a national bank into a State bank, or the merger or consolidation of a national bank with a State bank which is not a member of the Federal Reserve System, the resulting or continuing State bank may be admitted to membership in the Federal Reserve System by the Board of Governors of the Federal Reserve System in accordance with the provisions of this section, but, otherwise, the Federal Reserve bank stock owned by the national bank shall be canceled and paid for as provided in section 5 of this Act. Upon the merger or consolidation of a national bank with a State member bank under a State charter, the membership of the State bank in the Federal Reserve System shall continue."

SEPARABILITY CLAUSE

SEC. 9. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Approved August 17, 1950.

[CHAPTER 730]

AN ACT

August 17, 1950
 [H. R. 4117]
 [Public Law 707]

To remove the present restriction relating to the granting of privileges within Kings Canyon National Park in order that privileges hereafter granted may be consistent with those granted in other areas of the National Park System, and for other purposes.

Kings Canyon National Park, Calif.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to permit the granting of privileges within Kings Canyon National Park, California, upon terms that are consistent with those granted in other national parks pursuant to the Act of August 25, 1916 (39 Stat. 535), the last sentence in section 4 of the Act of March 4, 1940 (54 Stat. 41, 44; 16 U. S. C., 1946 edition, sec. 80c), which limits the duration of such privileges to five years, is hereby repealed.

16 U. S. C. §§ 1-4,
 22, 43.

Approved August 17, 1950.

[CHAPTER 731]

AN ACT

August 17, 1950
 [H. R. 5282]
 [Public Law 708]

To amend section 3 of the Organic Act of Puerto Rico.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of