

CHAPTER 116
WITHDRAWABLE SHARES

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§ 116101. Associations May Issue Shares.

An association pursuant to its articles of incorporation or by-laws and this act, may issue shares (which shall constitute the holders thereof members of such association). The holders of such shares shall have no liability for debts or assessments.

SOURCE: GC §41150.

§ 116102. Description of Withdrawable Shares.

Withdrawable shares shall be of the par value of one hundred dollars (\$100) or two hundred dollars (\$200) each, as provided in the articles of incorporation or by-laws, and shall be paid for by the subscribers or shareholders as provided in the by-laws. Such payments may be, and are hereafter sometimes in this act, called dues. Certificates evidencing shares, with or without passbooks, shall be issued to each shareholder on the first payment of dues by him. When the dues paid on any share, together with the dividends or profits apportioned thereto, shall equal the par value thereof, such share shall have reached its matured value. Except in connection with mergers, consolidations or transfers pursuant to Section 113105 of this act, no shares shall be issued for any consideration other than cash or cancellation of outstanding shares of the same association of equal value or, with the approval of the commissioner, or different values. All shares matured in respect of which payment shall have been made by the association to the shareholder, and all shares surrendered or canceled, may be reissued. Accumulative shares may be issued with the provision that at all times the holder or holders thereof shall be the owners of the number of shares and a fraction of a share determined by dividing the value of such shares as defined in Section 110101 of this act by the par value thereof. Shares may be issued as full paid shares, installment shares, accumulative shares or prepaid

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shares. Differences, if any, between the rates of return or the bases of participation for two or more of such classes of shares may be prescribed in the by-laws.

(a) Full Paid Shares. Full paid shares shall be shares upon which a single payment of dues amounting to the par value of said shares shall be paid at the time of subscription and upon which the holder shall be entitled to such dividends or participation in the profits, not exceeding the rate apportioned to installment shares, as the board of directors shall determine, All such shares may be issued in one or more classes as to participation, under regulations prescribed in the by-laws and which must be fully set forth in or upon each certificate issued.

(b) Installment Shares. Installment Shares may be issued at any time and dividends shall be credited thereon until such shares reach their matured value or are canceled or withdrawn. Installment shares shall be issued with full participation in the profits subject to apportionment as dividends; provided, however, that associations may, if their by-laws so provide issue installment shares limited to a maximum rate of dividend.

(c) Accumulative Shares. Accumulative shares are shares which shall participate in the apportionment of profits by way of dividends and be credited therewith at a rate not exceeding the rate apportioned to installment shares, as the board of directors shall determine, and upon which the dues maybe paid in at such times and in such amounts as the holder thereof may elect and as the association may permit until said shares reach their matured value or are canceled or withdrawn.

(d) Prepaid Shares. Prepaid shares shall be shares not full paid, upon which a single payment shall have been made, and which are to reach their matured value through crediting on such shares, dividends or participation in the profits. The holders of prepaid shares shall be entitled to such participation in the net profits, not exceeding the rate apportioned to installment shares, as the board of directors shall determine until such shares reach their matured value or are canceled or withdrawn.

SOURCE: GC §41151.

§ 116103. Maturity of Shares.

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When any share shall have reached its matured value, payment of dues thereon shall cease. Borrowing shareholders whose loans are fully paid shall have their securities released and returned to them. Holders of free shares shall upon the presentation of such shares for cancellation and upon giving a receipt for payment, be entitled to the payment of the matured value thereof with dividends or participation in the profits at the rate last paid or apportioned upon the same class of shares from the time the board of directors shall have declared such shares to have matured until paid. Such payment shall be subject to the provisions of Chapter 124 of this act applicable thereto.

SOURCE: GC §41152.

§ 116104. Retirement of Free Shares.

The directors may in their discretion, under the regulations prescribed by the by-laws, retire any free shares by enforcing the withdrawal thereof, but whenever the withdrawal of any shares is to be enforced, the holders thereof must be given 30 day's notice thereof and be paid the amount actually paid in, and full amount of profits or dividends applicable thereto to the date of retirement; such aggregate amount being hereafter in this section referred to as the retirement price. If the date fixed for such retirement is not a date on which dividends are to be paid or credited, the amount of profits or dividends applicable thereto from the last such date shall be prorated and shall be based on the rate of return for the current period if such rate shall have been determined prior to the date fixed for such retirement, and if not, shall be based on the rate of return determined for the latest previous period for which such rate shall have been determined. On or after the date fixed for retirement as stated in such notice, each holder of shares to be retired shall surrender to the association, properly endorsed, his certificate evidencing such shares and shall thereupon be entitled to receive payment of the retirement price of such shares, and in case a certificate shall be retired in part, to receive a new certificate representing the unretired part thereof. If such notice of intended retirement shall have been duly given and if on or before the date fixed for such retirement funds necessary for such retirement shall be and continue available therefor, then, notwithstanding that any certificate called for retirement in whole or in part shall not have been surrendered, dividends on the shares evidenced thereby called for retirement shall cease to accrue after the date fixed for such retirement, and all rights of the holder in respect of

the shares so called for retirement shall forthwith after such retirement date cease and determine, except only the right of the holder to receive the retirement price without interest or dividends after the date fixed for retirement. In all cases the notice of retirement shall expressly state that dividends will cease on the date fixed for retirement.

SOURCE: GC §41153.

§ 116105. Arrears in Payments.

Whenever any shareholder shall be six months in arrears in the payment of any installment of his dues upon free shares, the secretary may give him notice thereof in writing and a statement of his arrearage; and if he shall not pay all arrearage within two months thereafter, the association may, at its option, declare his shares forfeited, and at the time of such forfeiture, the withdrawal value thereof shall be determined and stated, and the defaulting shareholder shall be entitled to withdraw the same without interest upon the same notice and subject to the same conditions as a withdrawing shareholder.

SOURCE: GC §41154.

§ 116106. Shares as Legal Investments.

All shares issued by any association issuing no investment certificates and which is an *insured institution* as defined in Title IV of the National Housing Act shall be legal investments for the funds of executors, administrators, guardians, receivers and trustees of every kind and nature, and for the funds of all insurance companies and when, by any law of this territory, it is provided that the moneys of any pension fund, retirement plan, trust fund, or the moneys of any fund the investment of which is governed by law may or shall be invested in securities which are a legal investment for saving banks, then such law shall be deemed to authorize the investment of such money in such shares. This section is intended to be, and shall be considered, the latest enactment upon the matters herein contained, and is supplemental to any and all other acts regulating, relating to or declaring what shall be legal investments for the funds of executors, administrators, guardians, receivers, trustees or insurance companies, or for any of the other funds referred to in this section.

SOURCE: GC §41155.

§ 116107. Additional Powers of Associations.

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Notwithstanding any other provision of law, savings and loan associations organized or operating under this title may exercise any and all such powers and may offer and accept any accounts or deposits that are permitted to be exercised or offered or accepted by a federal savings and loan association doing business in this territory (whether or not such association is doing such business). Nothing in this Section shall restrict or limit any right or power that a domestic association has under any other provision of law. All such accounts or deposits shall be legal investments for the funds of the government of Guam to the extent such shares are insured by the Federal Savings and Loan Insurance Corporation, and for the funds of executors, administrators, guardians, receivers, and trustees of every kind and nature, and for the funds of all insurance companies, and when, by any law of this territory, it is provided that the monies of any pension fund, retirement plan, trust fund, or the monies of any fund the investment of which is governed by law may or shall be invested in securities which are a legal investment for savings banks, then such law shall be deemed to authorize investment of such monies in such accounts or deposits.

SOURCE: GC §41156 added by P.L. 17-28:5.
