

BUILDING & LOAN ASSOCIATIONS: Conversion to Federal savings and loan associations by Missouri building and loan associations shall be determined by a friendly test suit.

June 25, 1934. 6-27



Hon. Ira A. McBride
Supervisor
Bureau of Building & Loan Supervision
Jefferson City, Missouri

Dear Mr. McBride:

This is to acknowledge your letter as follows:

"This is to request your opinion as to whether a Missouri building and loan association, chartered and operating under Missouri laws, may convert into a federal savings and loan association under Section 5 (1) of the Home Owners' Loan Act of 1933 as amended by the recent congress and signed by the president on April 27, 1934, irrespective of limitations imposed by Missouri statutes."

The request for an opinion contained in your letter is one that has given this office much concern. We have untiringly searched the statutes and decisions of the court and have come to the conclusion that the law relative to conversion of a building and loan associations, chartered and operating under Missouri laws, into Federal savings and loan associations is so unsettled and uncertain that we do not desire to express an opinion concerning same. We respectfully request, that it is a matter of such far-reaching importance to the stockholders as well as to the association, that a

June 25, 1934.

friendly suit be brought so as to have a decision of the court of last resort. If such a suit is brought this Department will represent you and will take the position that -- A Missouri building and loan association, chartered and operating under and by virtue of the laws of the State of Missouri, may not convert into a Federal savings and loan association, except by the method provided in our opinion to you, dated March 17th, 1934, which opinion was rendered prior to the amendment of Section 5 (1) by Congress on April 27th, 1934.

Yours very truly,

James L. HornBostel
Assistant Attorney-General.

APPROVED:

ROY McKITTRICK
Attorney-General

JLH:EG