

WAC 208-514-110 Liquidation account. (1) The entire unconsolidated net worth of a MHC shall constitute a liquidation account for the benefit of the depositors of its subsidiary stock savings banks who continuously have been depositors since the reorganization or were depositors of any savings association subsequently acquired by a MHC at a time when the association was in mutual form and remained depositors of the stock savings bank ("eligible depositors"). The liquidation account shall not be a fixed amount but may increase (as to the entire account but not as to any individual eligible depositor) or decrease (as provided in RCW 32.32.190 through 32.32.205, except as application of those sections is inconsistent with these rules) over time. The function of the liquidation account is to establish that upon the complete liquidation of the mutual holding company, the entire net worth of the mutual holding company will be distributed among those persons who are the eligible depositors of its subsidiary savings bank(s) as of the date of the liquidation. The designation of the mutual holding company's net worth as a liquidation account shall not operate to restrict the use or application of the mutual holding company's net worth accounts.

(2) In the event of a complete liquidation of a mutual holding company, the remaining liquidation account of the mutual holding company shall be distributed ratably among all the eligible depositors of its subsidiary savings bank(s) as of the date of the liquidation.

(3) Upon the conversion to stock form of a mutual holding company, the liquidation account of the holding company shall no longer be maintained. Instead, each subsidiary savings bank shall at that time establish a liquidation account, which liquidation accounts shall in the aggregate equal the mutual holding company's liquidation account as of its last periodic report of condition immediately preceding its conversion into a stock-form holding company. The liquidation account established by each subsidiary savings bank shall be in the same proportion to the mutual holding company's liquidation account as the total of the subaccount balances of the then eligible depositors of the subsidiary savings bank bears to the total subaccount balances of the eligible depositors of all subsidiary savings banks of the mutual holding company. The liquidation account established by a subsidiary savings bank shall comply with the rules contained in RCW 32.32.185 through 32.32.205, to the extent not inconsistent with these rules.

[Statutory Authority: RCW 30.04.030 and 43.320.040. WSR 00-17-141, recodified as § 208-514-110, filed 8/22/00, effective 9/22/00. Statutory Authority: RCW 32.34.040 - [32.34].050 and chapters 32.08 and 34.05 RCW. WSR 93-13-142, § 50-14-110, filed 6/23/93, effective 7/24/93. Statutory Authority: RCW 32.34.040 - [32.34.]050. WSR 92-06-041, § 50-14-110, filed 2/28/92, effective 3/30/92.]