

bank. Upon approval of such application, the Federal Reserve Bank will cancel such stock as of the date the merger or consolidation takes effect, and will adjust accounts by applying to any indebtedness of the merging or consolidating bank to such Federal Reserve Bank all cash paid subscriptions made on the stock canceled plus one-half of one percent a month from the period of the last dividend, not to exceed the book value thereof, and the remainder, if any, will be paid to the merged or consolidated bank.

§209.6 Conversion of national bank.

Whenever a national bank converts into a nonmember State bank, an application on Form FR 86b shall be filed with the Federal Reserve Bank for cancellation of Federal Reserve Bank stock held by the national bank. Upon approval of such application, the Federal Reserve Bank will cancel such stock as of the date the conversion takes effect, and will adjust accounts in the manner described in §209.5(b).

§209.7 Insolvency.

Whenever a member bank is declared insolvent and a receiver⁸ appointed, the receiver shall, within three months from the date of his appointment, file with the Federal Reserve Bank of the district an application on Form FR 87 for cancellation of Federal Reserve Bank stock held by the insolvent member bank. If the receiver fails to make application within the time specified, the board of directors of the Federal Reserve Bank will either issue an order to cancel such stock, or, if the circumstances warrant it, grant the receiver additional time in which to file an application. Upon approval of such application or upon issuance of such order, the Federal Reserve Bank will cancel such stock as of the date of such approval or order and will adjust accounts in the manner described in §209.5(b).

⁸ The term *receiver* includes any person, commission, or other agency charged by law with the duty of winding up the affairs of the bank.

§209.8 Voluntary liquidation.

Whenever a member bank goes into voluntary liquidation, as, for example, upon sale of assets to another bank, the liquidating agent or some other person or persons duly authorized by the stockholders or board of directors to act on behalf of the bank shall, within three months from the date of the vote to place the bank in voluntary liquidation, file with the Federal Reserve Bank of the district an application on Form FR 86 for cancellation of Federal Reserve Bank stock held by the liquidating member bank. If such application is not filed within the time specified, the board of directors of the Federal Reserve Bank will either issue an order to cancel such stock, or, if the circumstances warrant it, grant additional time in which to file an application. Upon approval of such application, or upon issuance of such order, the Federal Reserve Bank will cancel such stock as of the date of such approval or order and will adjust accounts between the liquidating member bank and the Federal Reserve Bank in the manner described in §209.5(b).

§209.9 Other closed national banks.

(a) Whenever a national bank which has not gone into liquidation as provided in section 5220 of the Revised Statutes of the United States (12 U.S.C. 181), and for which a receiver has not been appointed, discontinues its banking operations for a period of sixty days, the Federal Reserve Bank will report the facts to the Comptroller of the Currency with a statement of reasons why a receiver should be appointed for the national bank. If such receiver is appointed, the procedure prescribed in §209.7 for cancellation of Federal Reserve Bank stock held by the national bank shall be followed.

(b) Whenever a national bank has been placed in the hands of a conservator, the procedure prescribed in §209.7 for cancellation of Federal Reserve Bank stock held by such bank shall be followed; provided a certificate is furnished by the Comptroller of the Currency to the effect that the conservator has been authorized to apply for cancellation of Federal Reserve Bank