**Section 1075.1210 Liquidation Account and Proxies**

a) Each mutual savings bank converting to form a holding company must establish a "liquidation account" for members of the mutual savings bank before conversion. The liquidation account may be maintained at a holding company level or by the savings bank. The total amount allocated to the liquidation account shall be equivalent to the amount of stock issued to the holding company by the stock subsidiary upon infusion of assets and liabilities to the stock subsidiary.

b) Each member of the liquidation account who maintains an account in the stock subsidiary savings banks shall be entitled, upon liquidation of the mutual holding company, to a fractional share of the value of the mutual holding company. The numerator of the fractional share shall be the amount of qualifying deposits in the member's account on the record eligibility date, which date shall be set by the board of directors in their Plan of Conversion and/or application to form a mutual holding company, and/or the supplemental eligibility record date and the denominator of the fractional share shall be the total amount of qualifying deposits of all eligible and supplemental eligible account holders in the converting mutual savings bank on the eligibility record date. Any plan to liquidate the mutual holding company must be approved by the Director and must satisfy all claims of creditors, including liquidation account holders. Any remaining value in the mutual holding company shall be transferred to the capital accounts of the subsidiary stock savings banks.

c) All proxies previously executed and assigned by members of the mutual savings bank converting to form a holding company shall remain valid and effective without impairment as long as the member maintains an account in the new stock savings bank.

d) A liquidation account need not be established under this Section if one is established under Section 1075.1225 and Subpart O of this Part.

(Source: Amended at 30 Ill. Reg. 19068, effective December 1, 2006)