

304.24-611 Vote on plan of conversion and proposed amendments -- Meeting of members -- Notice of right to vote and accompanying materials -- Voting by proxy.

- (1) The plan of conversion and the proposed amendment to the articles of incorporation of the converting mutual shall be submitted to a vote of the members of the converting mutual, as provided in this section and in KRS 304.24-095.
- (2) The meeting of members shall be held no later than ninety (90) days after the issuance of the commissioner's order of approval of the plan of conversion or after the filing of all amendments in compliance with the order of conditional approval of the plan of conversion.
- (3) The converting mutual shall give written notice of the right to vote on the plan of conversion to the members of the converting mutual entitled to vote. The notice shall be accompanied by explanatory information concerning the plan of conversion and may be accompanied by proxy solicitation materials. The notice and accompanying information and materials shall not be provided to the members until approved by the commissioner. The notice and accompanying materials shall include:
 - (a) A brief statement of the subject of the meeting;
 - (b) The date, time, and location of the meeting;
 - (c) A description of the member's right to attend and participate in the meeting;
 - (d) A description of the nature and amount of consideration that will be provided to the eligible members upon completion of the conversion;
 - (e) If reasonably ascertainable by the converting mutual, a description of the form and amount or approximate amount of consideration to be provided to the particular member to whom the notice is addressed;
 - (f) A copy of the plan of conversion and summary of the plan; and
 - (g) A reference to the applicable statutory provisions.
- (4) The notice required by subsection (3) of this section shall achieve a minimum score of forty (40) on the Flesch reading ease test or an equivalent score on a comparable test approved by the commissioner.
- (5) The notice shall be mailed, or provided by some other method or methods as may be approved by the commissioner, not less than thirty (30) days before the date of the meeting of members to vote on the plan of conversion.
- (6) Only persons who are members of the converting mutual on both the date the converting mutual's board of directors adopts the resolution proposing the plan of conversion and the record date for the meeting established by the board of directors shall be entitled to vote on the plan of conversion and the proposed amendment to the articles of incorporation of the converting mutual. Each voting member shall be entitled to vote in accordance with KRS 304.24-210.
- (7) Notwithstanding KRS 304.24-210, a member may vote by proxy only if:
 - (a) The proxy was solicited and obtained from the member for the express and sole purpose of voting on the plan of conversion, amendments to the articles of incorporation and bylaws, and any other matter materially

related to the plan of conversion; and

- (b) The proxy solicitation materials were provided to the commissioner prior to sending the materials to the members.
- (8) The plan of conversion and the proposed amendment to the converting mutual's articles of incorporation shall be approved by the members upon receiving the affirmative votes of at least two-thirds (2/3) of the members voting at the meeting in person or by proxy.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1355, effective July 15, 2010. --
Created 2000 Ky. Acts ch. 42, sec. 7, effective July 14, 2000.