§ 137. Change of state bank into national banking association by conversion, merger or consolidation. 1. A state bank may, by vote of the stockholders owning at least two-thirds in amount of its stock, convert into, or merge or consolidate with, a national banking association under the charter of a national banking association in the manner provided by federal law and without approval of any state authority.

2. The franchise of a state bank as a state bank shall automatically terminate when its conversion into or its merger or consolidation with a national banking association under a federal charter is consummated and the resulting national banking association shall be considered the same business and corporate entity as the state bank, although as to rights, powers and duties the resulting bank is a national banking association.

3. At the time when such conversion, merger or consolidation becomes effective

(a) all of the property, rights, powers and franchises of the state bank shall vest in the national banking association and the national banking association shall be subject to and be deemed to have assumed all of the debts, liabilities, obligations and duties of the state bank and to have succeeded to all of its relationships, fiduciary or otherwise, as fully and to the same extent as if such property, rights, powers, franchises, debts, liabilities, obligations, duties and relationships had been originally acquired, incurred or entered into by the national banking association; provided, however, that nothing in this section shall be deemed to authorize the national banking association to maintain as its own office any office previously maintained by the state bank, and authority, if any, to maintain any such office shall be governed by applicable federal law;

(b) any reference to the state bank in any contract, will or document, whether executed or taking effect before or after the conversion, merger or consolidation, shall be considered a reference to the national banking association if not inconsistent with the other provisions of the contract, will or document;

(c) a pending action or other judicial proceeding to which the state bank is a party, shall not be deemed to have abated or to have discontinued by reason of the conversion, merger or consolidation, but

may be prosecuted to final judgment, order or decree in the same manner as if the conversion, merger or consolidation had not been made; or the national banking association may be substituted as a party to such action or proceeding, and any judgment, order or decree may be rendered for or against it that might have been rendered for or against the state bank if the conversion, merger or consolidation had not occurred.

4. As used in this section, the term "state bank" means any bank, trust company or other banking organization engaged in the business of receiving deposits other than a mutual savings bank. For purposes of merger or consolidation under this section the term "national banking association" means one or more national banking associations, and the term "state bank" means one or more state banks.