§ 605-a. Transfer of deposit liabilities of bank or trust company; sale or pledge of assets to facilitate such transfer. 1. A bank or trust company may, pursuant to a plan approved by the superintendent, enter into an agreement with another bank or trust company, whereby its liabilities to depositors will be assumed by such other bank or trust company. To facilitate the consummation of such plan and agreement, such bank or trust company may borrow money from the Federal Deposit Insurance Corporation and pledge all or any part of its assets as security for the money so borrowed, or it may sell all or any part of its assets to Federal Deposit Insurance Corporation and the money so borrowed or realized with or without any other assets belonging to such bank or trust company, may be transferred by it to such other bank or trust company, in consideration of the latter's agreement to assume and pay the deposit liabilities of the former. If the superintendent shall thereafter take possession of the business and property of such bank or trust company, pursuant to this article, the validity of a claim against such bank or trust company which was in existence when such plan was consummated and remains unpaid shall be determined pursuant to the provisions of section six hundred twenty to six hundred twenty-five inclusive of this article as though such plan had not been consummated. Nothing in this section nor in any plan consummated pursuant to this section shall be deemed to require allowance of any claim if such claim would not otherwise be allowable in the liquidation proceedings. If such claim is allowed or ultimately established, the owner thereof shall be entitled to dividends on his claim as though such plan had not been consummated, and as though the assets of such bank or trust company had been taken over for liquidation immediately prior to any sale, pledge or transfer made pursuant to such plan. If such bank or trust company in liquidation does not have sufficient other assets to pay such dividends, the deficiency shall be paid from the proceeds of the sale or liquidation of the assets sold or pledged by such bank or trust company to Federal Deposit Insurance Corporation. If such proceeds prove insufficient to pay such deficiency in full, any remaining deficiency shall be paid from the proceeds of the sale or liquidation of the assets transferred by such bank or trust company to such other bank or trust company, exclusive of cash representing the proceeds of a sale to or a loan from Federal Deposit Insurance Corporation. The superintendent

shall take such action as he shall deem necessary and appropriate to protect the interests of the owner of any such claim, but he shall not be required to obtain possession of any of the assets from the proceeds of which the deficiency in dividends upon such claim is payable, unless it shall appear that the amount required for the payment of such deficiency is not otherwise available. The superintendent may, subject to the approval of the supreme court in the judicial district where the principal office of such bank or trust company is located, enter into an agreement with the Federal Deposit Insurance Corporation and the bank or trust company to which any assets of such bank or trust company have been transferred, or either of them, whereby payments shall be made to him as trustee for the benefit of the person or persons entitled thereto from time to time as cash is realized from the sale or liquidation of the assets from the proceeds of which claims are payable. If such agreement is approved by the supreme court, after notice of a kind which the court deems to be adequate to all persons whose interests, in the opinion of the court, may be affected thereby, such agreement shall be binding upon all such persons. No action may be brought by any such person to enforce payment of his claim unless it be clearly shown that the superintendent has refused or failed to take necessary and appropriate action to protect the interests of such person. No sale, conveyance or transfer by a bank or trust company of all or any part of its assets shall be deemed to have been made pursuant to the provisions of this section unless the plan approved by the superintendent shall expressly so state. Nothing contained in this section shall be deemed to repeal, limit, modify or otherwise affect any right or power of a bank or trust company to sell, convey or transfer all or any part of its assets pursuant to any other provision of law.

2. A bank or trust company assuming the deposit liabilities of another bank or trust company in connection with a plan pursuant to this section may issue preferred shares which, to the extent permitted by the superintendent, may have a retirable value greater than the amount received in payment for such shares.