

SEAL BEACH MUTUAL NO. NINE**Mutual Operations****Merger of Mutuals Opinion**

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2 Excerpt of FHA letter dated 17 Sept 65 from H. E. Johnson, Director: copies to President Golden
3 Rain Foundation and Presidents of all Mutuals.

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5 “To reduce the number of entities in Leisure World, we would be glad to approve the merger of
6 Mutuals. Our policy on this subject is set forth in Section 10.24 of the Cooperative Housing
7 Insurance and Servicing Handbook. This would perhaps make a unified approach on subjects
8 of this kind more feasible.”

Section 10.24

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12 Corporate Mergers: The Merger of Cooperative Housing Corporations is to be encouraged, and
13 its achievement is to be assisted when in the opinion of the Director of the Insuring Office and
14 the Regional Attorney such a pooling of interests will result in benefits to the cooperatives
15 concerned.

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17 Where two or more cooperative housing projects are contiguous or within close proximity,
18 duplication of cost and effort may often be eliminated by way of centralization of management,
19 consolidation of utility costs and centralized authority of a single Board of Directors.

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21 Any proposed Merger plan should be drafted by the cooperative corporations concerned and
22 submitted to the Director for his review, approval, and subsequent recommendation to the
23 Director of the Cooperative Housing Division.

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25 The approval of any Merger plan must be conditioned upon the written opinion of the Regional
26 Attorney that the Merger will not waive or diminish any of the legal rights of the Commissioner.

27
28 The consent of the mortgage or mortgages involved should be obtained. All obligations of the
29 original corporations must be assumed by the new or surviving corporation.

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31 Statutory requirements of the jurisdiction or jurisdiction concerned must be met. The laws of a
32 number of states require an affirmative vote of two-thirds or more of the stockholders to validate
33 a Corporate Merger

Document History

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12 Dec 22

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