

5/27/70

Memorandum 70-62

Subject: New Topic--Savings and Loan Law

Commissioner Sandstrom has forwarded a letter from the Chief Counsel of the Department of Savings and Loan, suggesting that the Savings and Loan Law is in need of revision.

You will recall that the Commission has been reluctant to undertake studies of fields of law where there is a state agency in a position to make such a study. For example, we rejected a suggestion from the Office of Administrative Procedure that we study the state Administrative Procedure Act. That office had strongly urged the Commission to undertake such a study, pointing out that there was need for the study because there were defects in the existing law. Our legislative members, who were present when the decision not to make the study was made, indicated that they did not feel that such a study would enhance the Commission in the eyes of the Legislature.

I suspect that the requests from the Office of Administrative Procedure and from the Department of Savings and Loan are not the last requests we will receive from administrative agencies to study particular areas of the law. For example, we have also considered and rejected a suggestion that we study the contract principles applying to insurance contracts because the statutes are not in accord with the court decisions. The limited legal service available to state agencies has severely limited the resources they have to engage in projects such as updating their law, and this is undoubtedly an important reason for the requests we have received.

There has been a substantial change in the membership of the Commission and it would be desirable, I believe, for the Commission to consider what

type of topics it wishes to study. This request from the Department of Savings and Loan seems to be an appropriate one to present the issue for Commission discussion.

Respectfully submitted,

John H. DeMouly
Executive Secretary



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May 20, 1970

Mr. John H. DeMouly
Executive Secretary
California Law Revision Commission
School of Law
Stanford University
Stanford, California 94305

Dear John:

I am enclosing a letter from Saul Perlis who is Chief Counsel of Savings and Loan for the State of California.

As he indicates in his letter, there is a serious need for revisions of the law dealing with savings instruments and savings accounts.

I would appreciate your consideration of this as a possible area of investigation by the Law Revision Commission.

Sincerely,

Marc Sandstrom
Vice President - Counsel

MS/hr
Attachment

cc: Mr. Saul Perlis

ES	
MS	
HR	
AA	

DEPARTMENT OF SAVINGS AND LOAN

40 WILSHIRE BOULEVARD, LOS ANGELES, CALIF. 90005

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San Francisco
May 12, 1970

Mr. Marc Sandstrom
Vice President and Counsel
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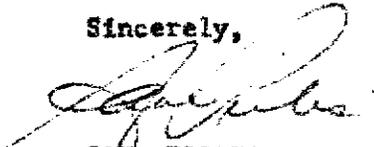
Dear Marc:

The purpose of this communication is to pursue the subject which we discussed on the telephone some days ago. I want to again congratulate you on your appointment to the Law Revision Commission.

As I advised you on the telephone and I believe you are aware, we in this Department have been trying to redraft sections of the Savings and Loan Law of this State with particular reference to the provisions relating to savings instruments and the sections dealing with savings accounts. There are approximately 200 to 300 Code sections involved. Frankly, I do not believe this is a controversial area but the present sections are extremely old and antiquated and do not conform to modern practice.

I presently have an attorney working on this but it is a long process and if the Law Revision Commission could be of assistance it would be of great value to this Department and to the savings and loan industry of this State. I am not familiar with the procedures of the Commission or the exact way in which to approach this problem, and would therefore appreciate any assistance you may be able to give me.

Sincerely,


SAUL FERLIS
Chief Counsel

SP:bu