

### **IC 28-1-21.8**

Chapter 21.8. Charter Conversion of a Mutual or Stock Savings Association to a Stock Savings Bank

#### **IC 28-1-21.8-1**

##### **Conversion plan**

Sec. 1. As used in this chapter, "conversion plan" refers to the stock savings bank conversion plan required by this chapter.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-2**

##### **Effective time of the charter conversion**

Sec. 2. As used in this chapter, "effective time of the charter conversion" means:

(1) the date that articles of conversion are filed with the secretary of state; or

(2) the date designated in the articles of conversion.

*As added by P.L.42-1993, SEC.43. Amended by P.L.122-1994, SEC.85.*

#### **IC 28-1-21.8-3**

##### **Office of Thrift Supervision**

Sec. 3. As used in this chapter, "Office of Thrift Supervision" refers to the primary federal regulator of savings associations.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-4**

##### **Savings association**

Sec. 4. (a) As used in this chapter, "savings association" means an institution (as defined in 12 U.S.C. 1813(b)) that maintains its principal office in Indiana.

(b) The term includes:

(1) federally chartered savings associations and savings banks; and

(2) state savings and loan associations and building and loan associations;

whether in stock or mutual form of ownership.

(c) The term does not include mutual savings banks or stock savings banks.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-5**

##### **Stock savings association**

Sec. 5. As used in this chapter, "stock savings bank" means a savings bank owned by holders of capital stock and formed by conversion under this chapter.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-6**

##### **Stock savings bank conversion**

Sec. 6. As used in this chapter, "stock savings bank conversion" means the conversion of a savings association to a stock savings bank, including any of the following:

- (1) A conversion in connection with the formation of a holding company.
- (2) An acquisition involving an existing corporation.
- (3) The merger with an existing financial institution.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-7**

##### **Voting parties**

Sec. 7. As used in this chapter, "voting parties" means the following:

- (1) In the case of a mutual savings association, the mutual savings association's depositors or members.
- (2) In the case of a stock savings association, the stock savings association's stockholders.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-8**

##### **Conversion to stock savings banks**

Sec. 8. With the approval of the department, a stock savings association may convert to a stock savings bank under this chapter.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-9**

##### **Conversion procedures**

Sec. 9. (a) The department shall prescribe procedures for stock savings bank conversions.

(b) The procedures prescribed by the department must include the following:

- (1) The savings association must prepare and submit a conversion plan to the department that provides the terms and conditions of the stock savings bank conversion as required by the department. The resulting stock savings bank is not required to register its stock under the Securities and Exchange Act of 1934 (15 U.S.C. 77b et seq.) unless required by other applicable laws or regulations. A conversion plan is sufficient if it complies with the requirements of the Office of Thrift Supervision. In case of a stock savings bank conversion by a mutual savings association, the conversion plan must specify the manner of distribution of stock in conformance with the Office of Thrift Supervision regulations unless otherwise provided in this chapter.
- (2) The conversion plan must be adopted by not less than a majority of the board of directors of the savings association.
- (3) Upon approval of the conversion plan by the board of directors of the savings association, the conversion plan and a certified copy of the resolution of the board of directors approving the conversion plan must be submitted to the

department for approval.

(4) The conversion plan must be conditioned on the approval of not less than a majority of the total number of votes eligible to be cast at a regular or special meeting of the voting parties. In obtaining the approval of the conversion plan by the voting parties, the converting savings association shall provide to the voting parties the information regarding the conversion plan required by the department. In determining the information that must be provided, the department shall give due consideration to the requirements of the Office of Thrift Supervision regulations relating to proxy statements governed by Section 14 of the Security and Exchange Act of 1934 (15 U.S.C. 78n).

(5) The savings association shall provide to the department additional relevant information requested by the department regarding the conversion plan.

(c) Voting parties have the voting rights provided by the bylaws or charter of the converting savings association.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-10**

##### **Approval or disapproval of conversion plans by department; hearings; solicitation of votes**

Sec. 10. (a) The department may approve or disapprove the conversion plan filed under section 9 of this chapter.

(b) The department is not required to hold a hearing on the conversion plan.

(c) Solicitation of the votes of voting parties may occur before the savings association receives the department's approval of the conversion plan if the director of the department has reviewed the proxy solicitation material and has notified the savings association in writing that the department does not object to use of the material.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-11**

##### **Conditions for approval of conversion plans**

Sec. 11. The department may not approve the conversion plan unless the department finds, after appropriate investigation or examination, all of the following:

(1) That the resulting stock savings bank will operate in a safe, sound, and prudent manner.

(2) That the proposed stock savings bank conversion will not result in a stock savings bank that has inadequate capital, unsatisfactory management, or poor earnings prospects.

(3) That the management or other principals of the savings association are qualified by character and financial responsibility to control and operate in a legal and proper manner the proposed stock savings bank.

(4) That the interests of the depositors, creditors, and public generally will not be jeopardized by the proposed stock savings bank conversion.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-12**

##### **Rights and obligations of converted stock savings banks**

Sec. 12. At the effective time of the charter conversion, the resulting stock savings bank:

- (1) possesses all of the rights, privileges, immunities, and powers of a stock savings bank;
- (2) unless otherwise provided in this chapter, is subject to all of the statutes, rules, duties, restrictions, obligations, and liabilities of a stock savings bank;
- (3) succeeds by operation of law to all rights and property of the converting savings association; and
- (4) is subject to all debts, obligations, and liabilities of the converting savings association as if the stock savings bank had incurred the debts and liabilities.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-13**

##### **Transitional period**

Sec. 13. The department may authorize the resulting stock savings bank to do the following:

- (1) Wind up any activities legally engaged in by the savings association at the effective time of the charter conversion not permitted to stock savings banks.
- (2) Retain for a transitional period any assets legally held by the savings association at the effective time of the charter conversion that otherwise may not be held by stock savings banks.

The terms and conditions of the transitional period under subdivisions (1) and (2) are subject to the discretion of the department. However, the transitional period may not exceed ten (10) years after the effective time of the charter conversion.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-14**

##### **Retention of branches**

Sec. 14. Notwithstanding IC 28-6.1-12, a stock savings bank created by a stock savings bank conversion may retain all branches lawfully established.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-15**

##### **Articles of conversion**

Sec. 15. (a) To effect the stock savings bank conversion, the converting savings association must file with the secretary of state articles of conversion showing the approval of the director of the department.

(b) The converting savings association shall record copies of the articles of conversion with the county recorder of the county where

the principal office of the stock savings bank is located.

(c) The articles of conversion constitute articles of incorporation and must set forth the elements required in IC 28-12-2-1.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-16**

##### **Application of banking law**

Sec. 16. (a) Except as provided in subsection (c), a stock savings bank formed under this chapter is governed by IC 28-6.1.

(b) For purposes of a stock savings bank formed under this chapter, references in IC 28-6.1 to formation and operation by a board means:

- (1) formation by conversion under this chapter; and
- (2) operation by a board of directors elected by shareholders under IC 28-13.

(c) IC 28-6.1-3 does not apply to a stock savings bank formed under this chapter.

*As added by P.L.42-1993, SEC.43.*

#### **IC 28-1-21.8-17**

##### **Rules**

Sec. 17. The department may adopt rules under IC 4-22-2 or policies to implement this chapter.

*As added by P.L.42-1993, SEC.43.*