

**IC 28-6.2-5**

Chapter 5. Powers of a Mutual Holding Company

**IC 28-6.2-5-1**

**Investment and acquisition powers; other powers**

Sec. 1. A mutual holding company may do the following:

- (1) Invest in or acquire control of:
  - (A) a bank, savings bank, or savings association; or
  - (B) the holding company of a bank, savings bank, or savings association.
- (2) Acquire a mutual savings bank or mutual savings association by merger with an interim or existing subsidiary savings bank of the mutual holding company from which the mutual holding company has members.
- (3) Acquire control of another mutual holding company by:
  - (A) merging with or into it; or
  - (B) merging it with or into a subsidiary interim holding company;

with the consent of the department and subject to conditions the department may prescribe, upon an affirmative vote of at least two-thirds (2/3) of the board of each entity.

(4) Acquire control of a savings bank holding company or savings association holding company in the stock form with the written approval of the department. An acquired holding company may be held as a subsidiary or merged into the mutual holding company.

(5) Invest in or acquire control of any corporation that is engaged exclusively in activities approved by the department.

(6) Invest in securities in which a savings bank may invest in under IC 28-6.1.

(7) Engage in activities in which a savings bank may engage in under IC 28-6.1.

(8) Furnish or perform management services for a subsidiary.

(9) Hold, manage, or liquidate assets owned or acquired from a subsidiary.

(10) Hold or manage property that the mutual holding company or a subsidiary uses.

(11) Engage in any activity that the federal reserve board permits a bank holding company to engage in under 12 CFR 225, subpart C, unless limited or prohibited by the department.

(12) Convert itself and any savings bank subsidiary into a mutual savings bank under a plan that:

- (A) is approved by the department;
- (B) provides that the converting mutual holding company ceases to engage in activities in which the converted savings bank may not engage; and
- (C) provides that stock in a subsidiary savings bank that is not held by the converting mutual holding company is redeemed.

*As added by P.L.122-1994, SEC.101. Amended by P.L.79-1998,*

SEC.79.

#### **IC 28-6.2-5-2**

##### **Pledging stock**

Sec. 2. (a) A mutual holding company, to collateralize an obligation of its own or of any of its subsidiaries or affiliates, may pledge any stock that comprises a minority interest in any subsidiary or any stock that the mutual holding company holds in the following:

- (1) A subsidiary savings bank, if the proceeds or other benefit of the obligation collateralized are received by the savings bank whose stock is pledged.
- (2) A subsidiary savings bank that was in the stock form when acquired.
- (3) Any nondepository subsidiary.

(b) A pledge of stock that is not described in subsection (a) may not be made without the prior written approval of the director.

*As added by P.L.122-1994, SEC.101.*

#### **IC 28-6.2-5-3**

##### **Pledging stock; notification; certification of transfer of proceeds**

Sec. 3. Within ten (10) days after any pledge of stock, a mutual holding company shall:

- (1) notify the director in writing regarding the terms of the transaction, including the amount of principal and interest, the repayment terms, the maturity date, the nature and amount of collateral, and the terms governing seizure of the collateral; and
- (2) include in the notice a certification that the proceeds of the loan have been transferred to the subsidiary savings bank whose stock has been pledged under section 2(a) of this chapter.

*As added by P.L.122-1994, SEC.101.*

#### **IC 28-6.2-5-4**

##### **Notice of nonpayment**

Sec. 4. A mutual holding company that fails to make any payment on a loan secured by the pledge of stock by the date on which the payment is due shall, on the first day after the payment is due and not made, provide written notice of nonpayment to the director.

*As added by P.L.122-1994, SEC.101.*

#### **IC 28-6.2-5-5**

##### **Repurchase of stock; written approval**

Sec. 5. A subsidiary savings bank of a mutual holding company that has any stockholders other than the savings bank's mutual holding company may not repurchase any share of stock within three (3) years of the stock's date of issuance without the prior written approval of the director unless the repurchase:

- (1) is part of a general repurchase made on a pro rata basis under an offer approved in writing by the director and made to all stockholders of the savings bank, except that the savings bank's mutual holding company may be excluded from the

repurchase with the department's approval; and  
(2) is accomplished in the open market by a stock benefit plan of the savings bank in an amount reasonable and appropriate to fund the plan.

*As added by P.L.122-1994, SEC.101.*

#### **IC 28-6.2-5-6**

##### **Acquisition of additional shares of stock**

Sec. 6. A mutual holding company may, at any time, and without prior approval of the department, acquire additional shares of the stock of a subsidiary savings bank.

*As added by P.L.122-1994, SEC.101.*

#### **IC 28-6.2-5-7**

##### **Permissive transfer of stock, assets, or liabilities**

Sec. 7. With the written approval of the department, a mutual holding company may do the following:

- (1) Directly or indirectly transfer any interest in stock that it holds in any subsidiary savings bank.
- (2) Cause or permit the transfer of all or a substantial portion of the assets or liabilities of any subsidiary savings bank.

*As added by P.L.122-1994, SEC.101.*

#### **IC 28-6.2-5-8**

##### **Waiver of right to receive dividend; authorization**

Sec. 8. Unless authorized by the director, a mutual holding company may not waive its right to receive any dividend declared by a subsidiary.

*As added by P.L.122-1994, SEC.101.*