

HOUSE No. 1017

The Commonwealth of Massachusetts

PRESENTED BY:

John F. Quinn

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to certain actions and transactions before the Board of Bank Incorporation and the Commissioner of Banks.

PETITION OF:

NAME:

John F. Quinn

DISTRICT/ADDRESS:

9th Bristol

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1061 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO CERTAIN ACTIONS AND TRANSACTIONS BEFORE THE BOARD OF BANK INCORPORATION AND THE COMMISSIONER OF BANKS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority
of the same, as follows:*

1 SECTION 1. Section 3 of said chapter 167A, as appearing in the 2006 Official Edition, is hereby amended by
2 adding the following paragraph:--

3 The provisions contained in section 2 shall not apply to the acquisition by bank holding company, or a
4 company or a bank which would become a bank holding company, if a bank or holding company is:--

- 5 (i) merged, consolidated, its assets purchased or established on an interim basis simultaneously with
6 the acquisition of the shares of the bank or bank holding company, and the bank holding company
7 is not operated by the acquiring bank holding company, company or bank, as a separate entity
8 other than as the survivor of the merger, consolidation or asset purchase; and

- 9 (ii) the transaction requires the approval of the Commissioner under the General Laws.

10 The provisions of section 4 relative to the Massachusetts Housing Partnership Fund shall apply to any
11 transaction which but for the exemption provided for in this paragraph would have been subject to such provisions.
12 The Commissioner shall not approve any transaction referred to in clause (ii) until he has received notice from the
13 Massachusetts Housing Partnership Fund that satisfactory arrangements have been made under said section 4.

14 SECTION 2. Section 2 of Chapter 167H of the General Laws, as so appearing, is hereby amended by striking out
15 said section 2 and inserting in place thereof the following section:--

16 Section 2. (a) Notwithstanding the provisions of any general or special law to the contrary, a mutual
17 banking institution that is a savings bank may reorganize so as to become a mutual holding company by (1)
18 establishing a subsidiary banking institution as a stock savings bank in accordance with section three, and transferring
19 to such subsidiary banking institution the substantial part of its assets and liabilities, including all of its deposit
20 liabilities or (2) by structuring the reorganization under any procedures acceptable to the commissioner, including but
21 not limited to the merger of the existing mutual bank with and into a savings bank established for the purpose of
22 completing the reorganization; provided, that for the purpose of facilitating a multi-step reorganization the
23 commissioner may, subject to such terms and conditions as he may impose, grant any and all certificates and approvals
24 to establish and control a new mutual savings bank. Upon such reorganization, all persons who prior thereto held
25 depository rights with respect to or other rights as creditors of such mutual banking institution shall have such rights
26 solely with respect to the said subsidiary banking institution and the corresponding liability or obligation of the mutual
27 banking institution to such persons shall be assumed by the subsidiary banking institution. All persons who had
28 liquidation rights pursuant to section thirty-three of chapter one hundred and sixty-eight with respect to the mutual
29 banking institution shall continue to have such rights solely with respect to said mutual holding company.

30 (b) Notwithstanding the provisions of any general or special law to the contrary, a mutual banking institution
31 that is a cooperative bank may reorganize so as to become a mutual holding company by (1) establishing a subsidiary
32 banking institution as a stock cooperative bank in accordance with section three, and transferring to such subsidiary
33 banking institution the substantial part of its assets and liabilities, including all of its deposit liabilities or (2) by
34 structuring the reorganization under any procedures acceptable to the commissioner, including but not limited to the
35 merger of the existing mutual bank with and into a cooperative bank established for the purpose of completing the
36 reorganization; provided, that for the purpose of facilitating a multi-step reorganization the commissioner may, subject
37 to such terms and conditions as he may impose, grant any and all certificates and approvals to establish and control a
38 new cooperative bank. Upon such reorganization, all persons who prior thereto held depository rights with respect to
39 or other rights as creditors of such mutual banking institution shall have such rights solely with respect to the said
40 subsidiary banking institution and the corresponding liability or obligation of the mutual banking institution to such
41 persons shall be assumed by the subsidiary banking institution. All persons who had liquidation rights pursuant to
42 section twenty-seven of chapter one hundred and seventy with respect to the mutual banking institution shall continue
43 to have such rights solely with respect to said mutual holding company.

44 (c) Any reorganization of a mutual banking institution pursuant to subsection (a) shall be approved by a
45 majority of the board of trustees and by a majority of the incorporators present and voting in each case at the annual
46 meeting or at a special meeting called, in accordance with the by-laws, for such purpose. Any such reorganization
47 pursuant to subsection (b) shall be approved by a majority of the board of directors and by a majority of the
48 shareholders present and voting in each case at the annual meeting or at a special meeting called, in accordance with
49 the by-laws, for such purpose.

50 SECTION 3. Chapter 172 of the General Laws, as so appearing, is hereby amended by inserting after
51 section 9A the following section:--

52 Section 9B. Notwithstanding the provisions of any general or special law to the contrary, the commissioner
53 may, subject to such terms and conditions as he may impose, grant a certificate to establish an interim trust company
54 owned by a bank holding company or a banking institution as defined in chapter 167A or a mutual holding
55 company as defined in chapter 167H for the sole purpose of facilitating a multi-step transaction involving bank as
56 defined in chapter 167; provided, however, that the interim trust company shall not receive deposits, or otherwise
57 carry on a banking business under the laws of the commonwealth.