

MAINE STATE LEGISLATURE

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D. OF R.

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L.D. 1489

(Filing No. S- 376)

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STATE OF MAINE
SENATE
112TH LEGISLATURE
SECOND REGULAR SESSION

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COMMITTEE AMENDMENT "A" to S.P. 560, L.D. 1489, Bill, "AN ACT Authorizing Mutual Financial Institutions to Reorganize into Mutual Holding Companies."

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Amend the bill in that part designated "§1052." in subsection 3 in the 3rd and 4th lines (page 2, lines 9 and 10 in L.D.) by striking out the underlined words "a majority" and inserting in their place the underlined word 'all'

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Further amend the bill in that part designated "§1053." in subsection 1 in paragraph A, in the 2nd line (page 2, line 18 in L.D.) by striking out the underlined words "the majority" and inserting in their place the underlined word 'all'

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Further amend the bill in that part designated "§1053." in subsection 1 in paragraph A, in the 3rd and 4th lines (page 2, lines 19 and 20 in L.D.) by striking out the underlined words "savings institution" and inserting in their place the underlined words 'holding company'

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Further amend the bill in that part designated "§1053." by striking out all of subsection 3 and inserting in its place the following:

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'3. Approval. Mutual financial institutions seeking to establish a mutual holding company pursuant to this chapter or a mutual financial institution holding company seeking to convert to a stock financial institution holding company shall do so pursuant to section 344, except that the conversion plan of a mutual holding company to a stock financial institution holding company shall be subject to the approval of a 2/3 vote of all the eligible account holders of

COMMITTEE AMENDMENT "A " to S.P. 560, L.D. 1489

1 all the financial institutions which are subsidiaries
2 of the holding company. If there is more than one
3 subsidiary financial institution, the eligible ac-
4 count holders shall be combined and 2/3 of the com-
5 combined eligible account holders shall approve the con-
6 version. Only account holders of financial institu-
7 tions which are subsidiaries of the holding company
8 are eligible to vote on the conversion plan. Share-
9 holders of nonbank stock subsidiaries are not eligi-
10 ble to vote on the conversion plan.'

11 Further amend the bill in that part designated
12 "§1054." in subsection 3 by striking out all of para-
13 graph A (page 4, lines 10 and 11 in L.D.) and insert-
14 ing in its place the following:

15 'A. Invest in the stock of a financial institu-
16 tion, subject to section 1013;'

17 Further amend the bill in that part designated
18 "§1054." in subsection 3, in paragraph C, in the
19 first line (page 4, line 16 in L.D.) by striking out
20 the underlined word "another" and inserting in its
21 place the underlined words 'a mutual'

22 Further amend the bill in that part designated
23 "§1054." in subsection 3 by striking out all of para-
24 graph E and inserting in its place the following:

25 'E. Invest in the capital stock of a company,
26 which is a legal investment for a savings bank
27 under the laws of the State;'

28 Further amend the bill by inserting before the
29 Statement of Fact the following:

30 '§1056. Reports and examinations

31 All mutual financial institution holding compa-
32 nies shall be subject to section 1016.'

D. OF R.

COMMITTEE AMENDMENT "A " to S.P. 560, L.D. 1489

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STATEMENT OF FACT

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The purpose of this amendment is to make some nonsubstantive clarifications to the powers of a mutual holding company.

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In addition, it provides that the same procedure shall be used in the creation of a mutual holding company as is used in the conversion of a mutual financial institution to a stock institution. It also provides that a mutual holding company may convert to stock form. Any such conversion requires the approval of the mutual holding company's corporators, directors, depositors of the subsidiary bank or banks by a 2/3 vote and the Superintendent of Banking.

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Reported by Sen. Bustin for the Committee on Business and Commerce.

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(Date 2/13/86)

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