

2018 Regular Session

SENATE BILL NO. 187

BY SENATOR MARTINY

FINANCIAL INSTITUTIONS. Provides relative to acquisition or change of control of state-chartered financial institutions or holding companies. (8/1/18)

1 AN ACT

2 To enact R.S. 6:121.9, relative to state-chartered financial institutions or holding companies;  
3 to provide for acquisition or change of control of state-chartered financial institutions  
4 or holding companies; to provide relative to duties of the commissioner; to provide  
5 for certain conditions, terms, and procedures; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 6:121.9 is hereby enacted to read as follows:

8 **§121.9. Acquisition or change of control of state-chartered financial**  
9 **institutions or holding companies; application and notification**

10 **A. As used in this Section:**

11 **(1) "Control" means the power, directly or indirectly, to direct the**  
12 **management or policies of a person or to vote twenty-five percent or more of**  
13 **any class of voting securities of a person. Control is presumed if immediately**  
14 **after any transaction, the acquiring person or persons acting in concert will**  
15 **own, control, or hold with power to vote ten percent or more of any class of**  
16 **voting securities of the institution, and if either:**

17 **(a) The person has registered securities under Section 12 of the**

1 Securities Exchange Act of 1934, 15 U.S.C. 781, as amended.

2 (b) No other person will own, control, or hold the power to vote a  
3 greater percentage of that class of voting securities immediately after the  
4 transaction.

5 (2) "Holding company" means any person who directly or indirectly  
6 owns, controls, or has power to vote twenty-five percent or more of any class of  
7 the voting shares of any state-chartered financial institution or who controls in  
8 any manner the election of a majority of the directors of a state-chartered  
9 financial institution.

10 (3) "In concert" means knowing participation in a joint activity or  
11 parallel action towards a common goal of acquiring control of a person whether  
12 or not such participation is pursuant to an expressed agreement.

13 (4) "Person" means any natural or juridical person.

14 B. No person, acting directly, indirectly, through, or in concert with one  
15 or more persons, shall acquire control of any state-chartered financial  
16 institution or its holding company without the permission of the commissioner.

17 C.(1) A person seeking permission to acquire control of a  
18 state-chartered financial institution or its holding company shall file an  
19 application with the commissioner at least ninety days prior to the proposed  
20 effective date of the acquisition of control.

21 (2) The application form may be developed by the commissioner or the  
22 commissioner may accept a standardized form that utilizes criteria established  
23 by the appropriate federal regulator of the institution or holding company.

24 D. The commissioner shall issue a written notice approving or  
25 disapproving the proposed acquisition or change of control not later than sixty  
26 days following the date the application was filed with the commissioner.  
27 However, this period of time may be extended for a reasonable period of time  
28 upon a showing of good cause by the commissioner that additional information  
29 is required for a determination to be made upon the application.



standardized form that utilizes criteria established by the appropriate federal regulator of the institution or holding company.

Proposed law requires the commissioner to issue a written notice approving or disapproving the proposed acquisition or change of control not later than 60 days following the date the application was filed with the commissioner. However, this period of time may be extended for a reasonable period of time upon a showing of good cause by the commissioner that additional information is required for a determination to be made upon the application.

Proposed law provides that a notice of disapproval shall be issued if the competence, experience, character, integrity, or financial responsibility of the applicant or applicants indicates that it would not be in the best interest of the depositors of the institution or the public to permit the proposed acquisition of control of the financial institution or its holding company.

Proposed law provides for the issuance of a decision and the review of such decision.

Effective August 1, 2018.

(Adds R.S. 6:121.9)