

HOUSE No. 00287

The Commonwealth of Massachusetts

PRESENTED BY:

Peter J. Koutoujian

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.

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PETITION OF:

NAME:

Peter J. Koutoujian

DISTRICT/ADDRESS:

10th Middlesex

HOUSE No. 00287

By Mr. Peter J. Koutoujian of Waltham, petition (accompanied by bill, House, No. 00287) of Peter J. Koutoujian relative to certain actions by and transactions before the Board of Bank Incorporation and the Commissioner of Banks. Joint Committee on Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
□ HOUSE
□ , NO. 1017 OF 2009-2010.]

The Commonwealth of Massachusetts

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In the Year Two Thousand Eleven
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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

2 hereby amended by adding the following paragraph:--

3 The provisions contained in section 2 shall not apply to the acquisition by bank holding

4 company, or a company or a bank which would become a bank holding company, if a bank or

5 holding company is:--

6 merged, consolidated, its assets purchased or established on an interim basis simultaneously with

7 the acquisition of the shares of the bank or bank holding company, and the bank holding

8 company is not operated by the acquiring bank holding company, company or bank, as a separate
9 entity other than as the survivor of the merger, consolidation or asset purchase; and
10 the transaction requires the approval of the Commissioner under the General Laws.

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

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

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

30 shall have such rights solely with respect to the said subsidiary banking institution and the
31 corresponding liability or obligation of the mutual banking institution to such persons shall be
32 assumed by the subsidiary banking institution. All persons who had liquidation rights pursuant
33 to section thirty-three of chapter one hundred and sixty-eight with respect to the mutual banking
34 institution shall continue to have such rights solely with respect to said mutual holding company.

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

52 (c) Any reorganization of a mutual banking institution pursuant to subsection (a) shall be
53 approved by a majority of the board of trustees and by a majority of the incorporators present and
54 voting in each case at the annual meeting or at a special meeting called, in accordance with the
55 by-laws, for such purpose. Any such reorganization pursuant to subsection (b) shall be approved
56 by a majority of the board of directors and by a majority of the shareholders present and voting
57 in each case at the annual meeting or at a special meeting called, in accordance with the by-laws,
58 for such purpose.

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

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