

§319. Special provisions for subsidiary banks of mutual holding companies

1. Restriction. A subsidiary bank established pursuant to a reorganization under chapter 105 must be organized as a corporation.

[PL 1997, c. 398, Pt. C, §17 (NEW).]

2. Board of directors. With respect to a subsidiary bank established pursuant to a reorganization under chapter 105 from and after the time that subsidiary bank includes stockholders other than the mutual holding company, the articles of incorporation of the subsidiary bank must be amended to provide for proportionate representation of the minority stockholders on the board of directors of the subsidiary bank based on the percentage of common stock owned by the minority stockholders in the aggregate relative to the total amount of common stock then issued and outstanding, except that the minority stockholder representatives on the board of directors of the subsidiary bank may not be fewer than 2. A director or officer of a mutual holding company or subsidiary bank or any affiliate of that company or institution is prohibited from serving as a designated minority stockholder representative on the board of directors of the subsidiary bank. Shares of stock of the subsidiary bank owned directly or indirectly by an individual director or officer of the mutual holding company are deemed to be owned by the mutual holding company for purposes of determining proportionate representation of minority stockholders on the board of directors of the subsidiary bank. Representatives of the mutual holding company that serve on the board of directors of the subsidiary bank must be selected in accordance with chapter 105.

[PL 1997, c. 398, Pt. C, §17 (NEW).]

SECTION HISTORY

PL 1997, c. 398, §C17 (NEW).

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