

HOUSE No. 1061

By Mr. Quinn of Dartmouth, petition of John F. Quinn relative to certain actions by and transactions before the Board of Bank Incorporation and the Commissioner of Banks. Financial Services.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

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
2 2000 Official Edition, is hereby amended by adding the following
3 paragraph:—

4 The provisions contained in section 2 shall not apply to the acqui-
5 sition by bank holding company, or a company or a bank which
6 would become a bank holding company, if a bank or holding com-
7 pany is:—

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

14 (ii) the transaction requires the approval of the Commissioner
15 under the General Laws.

16 The provisions of section 4 relative to the Massachusetts Housing
17 Partnership Fund shall apply to any transaction which but for the
18 exemption provided for in this paragraph would have been subject to
19 such provisions. The Commissioner shall not approve any transac-
20 tion referred to in clause (ii) until he has received notice from the
21 Massachusetts Housing Partnership Fund that satisfactory arrange-
22 ments have been made under said section 4.

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

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

28 (b) Notwithstanding the provisions of any general or special law
29 to the contrary, a mutual banking institution that is a cooperative
30 bank may reorganize so as to become a mutual holding company by
31 (1) establishing a subsidiary banking institution as a stock coopera-
32 tive bank in accordance with section three, and transferring to such
33 subsidiary banking institution the substantial part of its assets and
34 liabilities, including all of its deposit liabilities or (2) by structuring
35 the reorganization under any procedures acceptable to the commis-
36 sioner, including but not limited to the merger of the existing mutual
37 bank with and into a cooperative bank established for the purpose of
38 completing the reorganization; provided, that for the purpose of
39 facilitating a multi-step reorganization the commissioner may, sub-

40 ject to such terms and conditions as he may impose, grant any and
41 all certificates and approvals to establish and control a new coopera-
42 tive bank. Upon such reorganization, all persons who prior thereto
43 held depository rights with respect to or other rights as creditors of
44 such mutual banking institution shall have such rights solely with
45 respect to the said subsidiary banking institution and the corre-
46 sponding liability or obligation of the mutual banking institution to
47 such persons shall be assumed by the subsidiary banking institution.
48 All persons who had liquidation rights pursuant to section twenty-
49 seven of chapter one hundred and seventy with respect to the mutual
50 banking institution shall continue to have such rights solely with
51 respect to said mutual holding company.

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

1 SECTION 3. Chapter 172 of the General Laws, as so appearing,
2 is hereby amended by inserting after section 9 the following
3 section:—

4 Section 9A. Notwithstanding the provisions of any general or
5 special law to the contrary, the commissioner may, subject to such
6 terms and conditions as he may impose, grant a certificate to estab-
7 lish an interim trust company owned by a bank holding company or
8 a banking institution as defined in chapter 167A or a mutual holding
9 company as defined in chapter 167H for the sole purpose of facili-
10 tating a multi-step transaction involving bank as defined in chapter
11 167; provided, however, that the interim trust company shall not
12 receive deposits, or otherwise carry on a banking business under the
13 laws of the commonwealth.