

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**

A BILL ACT 339 OF 1991
HOUSE BILL 1611

4 **By: Representatives Newman and J. Miller**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED §§23-32-501 AND
9 23-32-503 TO ALLOW WHOLLY OWNED ARKANSAS BANK HOLDING
10 COMPANIES TO MERGE WITH AND INTO STATE BANKS; AND FOR
11 OTHER PURPOSES."

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13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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15 SECTION 1. Arkansas Code Annotated §23-32-501(4) is hereby amended to
16 read as follows:

17 "(4) 'Merger' includes consolidation in all sections of this
18 subchapter except §23-32-503(b);"

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20 SECTION 2. Arkansas Code Annotated §23-32-501 is hereby amended by
21 adding a subsection to read as follows:

22 "(7) 'Wholly owned Arkansas bank holding company' means a 'bank
23 holding company', as that term is defined in §23-32-303(2), incorporated
24 under the laws of the State of Arkansas, all of the outstanding shares of each
25 class of the capital stock of which is owned by a single individual or
26 entity."

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28 SECTION 3. Arkansas Code Annotated §23-32-503 is hereby amended to read
29 as follows:

30 "23-32-503. Merger of state or national bank into state bank, and merger
31 of a wholly owned Arkansas bank holding company into state bank.

32 (a) With the approval of the Bank Commissioner and the State Banking
33 Board and after a public hearing as prescribed by the applicable law of this
34 state, any state or national banks may be merged to result in a state bank
35 provided that, if any national banks shall be involved in the merger, there
36 shall be compliance with the requirements of the then-applicable federal laws.

1 (b) (1) With the approval of the Bank Commissioner, any wholly owned
2 Arkansas bank holding company that owns all of the outstanding shares of each
3 class of the capital stock of a subsidiary state bank may be merged with and
4 into such bank to result in a state bank without the approval of the
5 shareholders of either the wholly owned Arkansas bank holding company or the
6 state bank, provided that the merger otherwise complies with the then-
7 applicable law of this state.

8 (2) The board of directors of the wholly owned Arkansas bank
9 holding company and the board of directors of the state bank shall adopt a
10 plan of merger that sets forth:

11 (i) The names of the wholly owned Arkansas bank holding
12 company and state bank; and

13 (ii) The manner and basis of converting the shares of the
14 wholly owned Arkansas bank holding company into shares of the state bank.

15 (3) The articles of merger containing the plan of merger, signed
16 by each constituent corporation under its seal and the hands of its president
17 and secretary, shall be filed with the Bank Commissioner in the manner
18 required by law for the merger of state banks, following approval by the Bank
19 Commissioner and with the Secretary of State in the manner required by law for
20 the merger of business corporations.

21 (4) One duplicate copy of the articles of merger, filed with the
22 Bank Commissioner, certified as required by §23-32-201, evidenced by the
23 endorsement of the Bank Commissioner, showing that the merger has been
24 approved by him, shall be filed with the county clerk in the county in which
25 the state bank is domiciled.

26 (5) The articles of merger shall become effective upon the
27 filing of the articles with the county clerk or at such time, not more than
28 sixty (60) days after the approval of the articles by the Bank Commissioner,
29 as may be specified in the articles as the time when the merger shall become
30 effective."

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32 SECTION 4. All provisions of this act of a general and permanent nature
33 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
34 Revision Commission shall incorporate the same in the Code.

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1 SECTION 5. If any provision of this act or the application thereof to
2 any person or circumstance is held invalid, such invalidity shall not affect
3 other provisions or applications of the act which can be given effect without
4 the invalid provision or application, and to this end the provisions of this
5 act are declared to be severable.

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7 SECTION 6. All laws or parts of laws in conflict with this act are
8 hereby repealed.

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10 SECTION 7. It is hereby found and determined by the General Assembly
11 that changes in the banking industry make it immediately necessary to amend
12 the banking laws of this state to permit wholly owned Arkansas bank holding
13 companies to merge with and into state banks. Therefore, an emergency is
14 hereby declared to exist and this act being immediately necessary for the
15 protection of the public peace, health and safety, shall be in full force and
16 effect from and after its passage and approval.

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APPROVED: 3-4-91

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