

9-808. Stockholder vote for conversion to state bank; approval by commissioner; investigation; capital and name; stock for stock or property; powers continued; assets transferred; dissenting stockholder; same entity; divestiture of unauthorized assets and liabilities. (a) After first applying for and receiving approval from the commissioner, any national bank, federal savings association or federal savings bank organized under the laws of the United States may become a state bank upon the affirmative vote of not less than 2/3 of its outstanding voting stock. Any national bank, federal savings association or federal savings bank desiring to become a state bank shall apply to the commissioner for permission to convert to a state bank, and shall submit a certified copy of its articles of association, a transcript of the minutes of the meeting of its stockholders showing approval of the proposed conversion and any other information required in the application form prescribed by the commissioner. A federal savings association or federal savings bank operating in a mutual form must also convert to a stock form prior to converting to a state bank and shall submit appropriate documentation to the commissioner to show that the appropriate federal regulator has approved such mutual to stock conversion. Upon receipt of each of the items required by this section the commissioner shall make or cause to be made such investigation as the commissioner deems necessary to determine whether:

(1) All state and federal requirements for a conversion have been satisfied;

(2) the conversion will not adversely affect the interests of the depositors; and

(3) the resulting state bank will have an adequate capital structure. If the commissioner determines each of these matters favorably the conversion shall be approved and the commissioner shall issue a certificate of authority. Upon issuance of a certificate of authority, the articles of incorporation, duly executed as required by state law, shall be filed with the secretary of state.

(b) In any conversion authorized by this section the capital requirements of this act shall apply, and the new name for such resulting bank shall be approved by the commissioner. In any conversion authorized by this section the resulting state bank shall have authority to issue its shares of stock for shares of stock in the national bank, federal savings association or federal savings bank or property of the national bank, federal savings association or federal savings bank for and upon such valuation as shall be agreed upon, and approved by the commissioner. In any conversion authorized by this section the resulting state bank by operation of law shall continue all trust functions being exercised by the national bank, federal savings association or federal savings bank and shall be substituted for the national bank, federal savings association or federal savings bank and shall have the right to exercise trust or fiduciary powers created by any instrument designating the national bank, federal savings association or federal savings bank even though such instruments are not yet effective.

(c) In any conversion authorized by this section the resulting state bank shall succeed by operation of law without any conveyance or transfer by the act of the national bank, federal savings association or federal savings bank to all the actual or potential assets, real property, tangible personal property, intangible personal property, rights, franchises and interests, including those in a fiduciary capacity of the national bank, federal savings association or federal savings bank and shall be subject to all of the liabilities of the national bank, federal savings association or federal savings bank.

(d) In any conversion authorized by this section the rights and responsibilities of any shareholder of the national bank, federal savings association or federal savings bank who objects or dissents to the proposed conversion shall be governed by the provisions of K.S.A. 17-6712, and amendments thereto, as though the national bank, federal savings association or federal savings bank was a Kansas corporation and the objecting or dissenting shareholder was objecting or dissenting to a proposed merger transaction. In any conversion authorized by this section the corporate existence of the national bank, federal savings association or federal savings bank shall be merged into and shall be continued in the resulting state bank, and the resulting state bank shall be deemed to be the identical corporate entity as the national bank, federal savings association or federal savings bank.

(e) Within a reasonable time after the effective date of the conversion, the resulting bank shall divest itself of all assets and liabilities that do not conform to state banking laws and rules and regulations. The length of this transition period shall be determined by the commissioner and shall be specified when the application for conversion is approved.

History: L. 1947, ch. 102, § 11; L. 1994, ch. 192, § 2; L. 2000, ch. 106, § 2; Apr. 27.