



Office of the State Bank Commissioner

Bank Change in Control

K.S.A. 9-1719(a) defines control as the power to 1) vote 25% or more of any class of voting shares; 2) direct, in any manner, the election of a majority of the directors; or 3) direct or exercise a controlling influence over management or policies.

K.S.A. 9-1720 requires a person, acting directly or indirectly or through concert with one or more persons to obtain approval from the commissioner before acquiring control of a state bank. A person wishing to acquire control should submit the information requested by the Interagency Notice of Change of Control form. The Federal Reserve Bank and/or Federal Deposit Insurance Corporation should be contacted to determine applicable federal filing requirements.

If the person acquiring control plans to make any significant changes to the bank's operations or strategy, details of those changes must be provided. The application should also describe anticipated changes to bank staff and/or the board of directors.

In accordance with K.S.A. 9-1726, a \$1,000 nonrefundable fee must be remitted when the application is filed.

The commissioner must act on the application within 60 days after the date the application is filed. The commissioner may, for any reason, extend the time period to act on an application an additional 30 days. The time period to act on an application may be further extended if the commissioner determines the applicant has not furnished all the information required or that, in the commissioner's judgment any material information submitted is substantially inaccurate.

If control is obtained as a result of a gift or inheritance of bank stock, the application form titled *Application for Acquisition of a Kansas Bank or Trust Company by a Gift or/or Inheritance* should be completed.

Acquisition of a State Bank by a Holding Company

K.S.A. 9-519(b)(1) defines a bank holding company as any company: A) which directly or indirectly owns, controls or has the power to vote 25% or more of any class of the voting shares of a bank or 25% or more of any class of the voting shares of a company which is or becomes a bank holding company; B) which controls in any manner the election of a majority of the directors of a bank or of a company which is or becomes a bank holding company; or C) directly or indirectly exercise a controlling influence over the management or policies of the bank or company.

K.S.A. 9-532 et seq and K.A.R. 17-21-1 to 17-21-8, require a bank holding company to obtain approval from the commissioner before acquiring control of a state bank. Within 14 days of any agreement for a holding company to acquire a state bank, a notice of intent to submit an application shall be provided to the commissioner. The application shall be filed within 90 days after an agreement has been entered into. Requests for approval shall be made by filing a copy of the federal agency application.

The Federal Reserve Bank and should be contacted to determine the federal filing requirements.

If any significant changes to the bank's operations or strategy will occur as a result of the acquisition by the holding company, details of those changes must be provided. The application should also describe anticipate changes to bank staff or the board of directors.

In accordance with K.S.A. 9-1726, a \$1,000 nonrefundable fee must be remitted when the application is filed. If the formation of the holding company is a share-for-share exchange of stock, the filing fee is \$500.

An application may be returned if the applicant does not respond in writing within 20 days of a written request by the commissioner for additional information. The commissioner must act on the application within 60 days after the date the application is filed. The commissioner may, for any reason, extend the time period to act on an application an additional 30 days. The time period to act on an application may be further extended if the commissioner determines the applicant has not furnished all the information required or that, in the commissioner's judgment any material information submitted is substantially inaccurate.

The Kansas Open Records Act (K.S.A. 45-215 et seq.) exempts from public disclosure "records the disclosure of which is specifically prohibited or restricted by federal law, state statute or rule of Kansas supreme court..." Information exempt from public disclosure under the Freedom of Information Act (5 U.S.C. 552) is also exempt from disclosure under the Kansas Open Records Act.

It is the responsibility of the applicant to identify clearly, and on separate pages, the information submitted with the proposal which it deems confidential. However, the determination of the question of confidentiality and the discretion to release information which is exempt resides with the State Bank Commissioner, consequently, the specific information you indicate to be confidential may be made available for public review after consideration.