

HOUSE BILL No. 5115

November 5, 1987, Introduced by Rep. Griffin and referred to the Committee on Corporations and Finance.

A bill to amend sections 129, 130, 135, 157, 171, and 172 of Act No. 319 of the Public Acts of 1969, entitled as amended "Banking code of 1969," sections 129 and 130 as amended by Act No. 104 of the Public Acts of 1987 and sections 135 and 171 as amended and section 172 as added by Act No. 177 of the Public Acts of 1985, being sections 487.429, 487.430, 487.435, 487.457, 487.471, and 487.472 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 129, 130, 135, 157, 171, and 172 of Act
2 No. 319 of the Public Acts of 1969, sections 129 and 130 as
3 amended by Act No. 104 of the Public Acts of 1987 and sections
4 135 and 171 as amended and section 172 as added by Act No. 177 of
5 the Public Acts of 1985, being sections 487.429, 487.430,

1 487.435, 487.457, 487.471, and 487.472 of the Michigan Compiled
2 Laws, are amended to read as follows:

3 Sec. 129. (1) Subject to the requirements, restrictions,
4 and limitations of section 171, any consolidated bank or national
5 banking association resulting from a consolidation under section
6 125, and any bank or national banking association which purchases
7 the assets of a bank, association, or national banking associa-
8 tion as provided for in section 121 may establish and operate as
9 a branch or branches the acquired organization or organizations
10 or any organization which sells its assets to another bank or
11 national banking association as provided for in section 121.

12 ~~(2) This section shall not apply to the establishment and~~
13 ~~operation of a branch or branches by a section 172 bank, as~~
14 ~~defined in section 172.~~

15 (2) ~~(3)~~ Notwithstanding the provisions of subsection (1)
16 and section 171, any consolidated bank resulting from the consol-
17 idation of a bank and a stock association under section 125, and
18 any bank which purchases the assets of an association as provided
19 for in section 121 may retain and continue to operate 1 or more
20 branches and principal office locations of the consolidating
21 organizations as branches which were legally operating immedi-
22 ately prior to consolidation, without being required to establish
23 or reestablish any branch or branches pursuant to section 171 and
24 whether or not any branch or branches could, at the time the con-
25 solidation becomes effective, have been established or reestab-
26 lished as a branch or branches of the consolidating or

1 consolidated organization, consistent with the requirements,
2 restrictions, and limitations of section 171.

3 Sec. 130. (1) For the purposes of this section the follow-
4 ing definitions shall apply:

5 (a) "Bank holding company" means a company as defined in the
6 bank holding company act of 1956, chapter 240, 70 Stat. 133, as
7 amended, which is not a bank or national banking association and
8 which is a bank holding company approved by the board of gover-
9 nors of the federal reserve system pursuant to section 3(d) of
10 the bank holding company act of 1956, 12 U.S.C. 1842 or will
11 become such an approved bank holding company prior to or upon the
12 completion of the consolidation provided in this section.

13 (b) "Existing bank" means a bank engaged in the business of
14 banking prior to the consolidation provided in this section.

15 (c) "New bank" means a bank not engaged in the business of
16 banking prior to the consolidation provided in this section.

17 (d) "Existing association" means a stock association engaged
18 in the savings and loan business prior to the consolidation pro-
19 vided in this section.

20 (2) Notwithstanding any other section of this act:

21 (a) Natural persons as provided in section 52 may organize
22 and incorporate as the incorporator or incorporators a new bank
23 having its principal office in the same city or village as the
24 principal office of an existing bank or existing association in
25 the manner specified in section 53, but without regard to the
26 provisions of section 53(2) and (3)(b), (c), (d), and (e), and
27 section 55, if the new bank is organized for the sole purpose of

1 effecting its consolidation under section 125 with an existing
2 bank or existing association having its principal office in the
3 same city or village as the new bank and if upon completion of
4 the consolidation a bank holding company becomes the owner of all
5 of the outstanding voting shares of the consolidated organi-
6 zation, other than shares necessary to qualify directors. The
7 new bank and the existing bank may consolidate under the charter
8 of either bank. ~~-, however, the~~ THE new bank and the existing
9 association shall consolidate under the charter of the new bank
10 and the provisions of sections 125, 126, 127, and 128 shall be
11 applicable with respect to the consolidation except that the
12 agreement of consolidation may provide that shares of either or
13 both the consolidating organizations, in lieu of being converted
14 into shares of the consolidated organization, will be converted
15 into shares or other securities of the bank holding company.

16 (b) A shareholder of the existing bank or existing associa-
17 tion who votes against the consolidation, or who has given notice
18 in writing to that bank or association at or prior to the meeting
19 called for the purpose of considering the agreement of consolida-
20 tion that he or she dissents from the consolidation, shall be
21 entitled to receive in cash from the consolidated organization
22 the fair value of all shares held by him or her, if and when the
23 consolidation is consummated, upon written request made to the
24 consolidated organization at any time within 30 days after the
25 date of consummation of the consolidation, accompanied by the
26 surrender of his or her stock certificates. Upon the filing of
27 the written request and the surrender of stock certificates, the

1 shareholder shall cease to have any of the rights of a
2 shareholder except the right to be paid the fair value of his or
3 her shares. The request having been made, may not be withdrawn
4 except with the written consent of the consolidated
5 organization. The fair value of the shares shall be determined,
6 as of the date on which the meeting of shareholders of the exist-
7 ing bank or existing association was held adopting the agreement
8 of consolidation, by a qualified and independent appraiser
9 selected by the commissioner upon written application filed by a
10 dissenting shareholder entitled to receive the fair value of his
11 or her shares or by the consolidated organization. The appraiser
12 selected shall file a written report of his or her appraisal with
13 the commissioner, who in turn shall forward copies to all inter-
14 ested parties. The valuation determined by the appraiser shall
15 be final and binding on all parties as to the fair value of the
16 shares. The consolidated organization shall pay to each dissent-
17 ing shareholder entitled the fair value of his or her shares
18 within 30 days following the receipt of the written report of the
19 appraiser. The fees and expenses of the appraisal, which shall
20 be approved by the commissioner, shall be paid by the consoli-
21 dated organization. The agreement of consolidation shall provide
22 the manner of disposing of the shares of the existing bank or
23 existing association surrendered by the dissenting shareholders.

24 (c) The consolidated organization, whether or not it is the
25 new bank, the existing bank, or any national banking association
26 resulting from a consolidation or merger of an existing national
27 banking association and a new national banking association having

1 its principal office in the same city or village as the principal
2 office of the existing national banking association under the
3 provisions of the national bank laws in a situation where the new
4 national banking association was organized for the express pur-
5 pose of effecting its consolidation or merger with the existing
6 national banking association and upon the completion of the con-
7 solidation or merger a bank holding company becomes the owner of
8 all of the outstanding voting shares of the resulting consoli-
9 dated national banking association, other than shares necessary
10 to qualify directors, shall have the right, notwithstanding any
11 of the requirements, restrictions, and limitations of section
12 171, ~~section 172,~~ or any other provision of law, to retain and
13 continue to operate or to establish and operate as its principal
14 office the principal office of the existing bank, existing asso-
15 ciation, or existing national banking association and as its
16 branches all branches of the existing bank, existing association,
17 or existing national banking association which were legally oper-
18 ating immediately prior to the consolidation or merger, whether
19 or not the principal office or the branch or branches could, at
20 the time the consolidation or merger becomes effective, have been
21 established or reestablished consistently with the requirements,
22 restrictions, and limitations of section 171, ~~section 172,~~ or
23 any other provision of law. For the purposes of this section
24 consolidation and merger are interchangeable and each means and
25 includes the consolidation or merger of banks, stock associa-
26 tions, or of national banking associations in any manner provided
27 by this act or by the national bank laws.

1 (3) Nothing in this section shall be construed as a waiver
2 of the restrictions against interstate banking set forth in sec-
3 tion 3(d) of the bank holding company act of 1956, 12
4 U.S.C. 1842, as amended.

5 Sec. 135. (1) When a conversion under either section 131 or
6 133 becomes effective, all the property of the converting organi-
7 zation, including all its right, title, and interest in and to
8 all property of whatsoever kind, whether real, personal or mixed,
9 and things in action, and every right, privilege, interest, and
10 asset of any conceivable value or benefit then existing, belong-
11 ing, or pertaining to it, or which would inure to it, shall imme-
12 diately by act of law and without any conveyance or transfer and
13 without any further act or deed, be vested in and become the
14 property of the converted organization, which shall have, hold,
15 and enjoy the same in its own right as fully and to the same
16 extent as it was possessed, held, and enjoyed by the converting
17 organization. The converted organization shall be deemed to be a
18 continuation of the entity and of the identity of the converting
19 organization. All the rights, obligations, and relations of the
20 converting organization to or in respect to any person, estate,
21 creditor, depositor, trustee, or beneficiary of any trust, and
22 in, or in respect to, any executorship or trusteeship or any
23 other trust or fiduciary function, shall remain unimpaired. The
24 converted organization shall succeed to all such rights, obliga-
25 tions, relations, and trusts, and the duties and liabilities con-
26 nected therewith, and shall execute and perform each and every
27 trust and relation in the same manner as if the converted

1 organization had itself assumed the trust or relation and the
2 obligations and liabilities connected therewith. If the convert-
3 ing organization is acting as administrator, coadministrator,
4 executor, coexecutor, trustee, or cotrustee of or in respect to
5 any estate or trust being administered under the laws of this
6 state, such relation, as well as any other or similar fiduciary
7 relations, and all rights, privileges, duties, and obligations
8 connected therewith shall remain unimpaired and shall continue
9 into and in the converted organization from and as of the time of
10 taking effect of the conversion, irrespective of the date when
11 any such relation may have been created or established and irre-
12 spective of the date of any trust agreement relating thereto or
13 the date of the death of any testator or decedent whose estate is
14 being so administered. Nothing done in connection with the con-
15 version, in respect to any executorship, trusteeship, or similar
16 fiduciary relation, shall be deemed to be or to effect under the
17 laws of this state a renunciation or revocation of any letters of
18 administration or letters testamentary pertaining to such rela-
19 tion nor a removal or resignation from any such executorship or
20 trusteeship or other fiduciary relationship nor shall the same be
21 deemed to be of the same effect as if the executor or trustee or
22 other fiduciary had died or otherwise become incompetent to act.

23 (2) A bank or national banking association resulting from a
24 conversion under either section 131 or 133 shall have the right,
25 notwithstanding any of the requirements, restrictions, and limi-
26 tations of section 171 ~~or section 172~~ to the contrary, to
27 retain and continue to operate any and all branches of the

1 converting organization which were in lawful operation
2 immediately prior to conversion, without being required to estab-
3 lish or reestablish any branch or branches pursuant to section
4 171 ~~or section 172~~ and irrespective of whether any such branch
5 or branches could, at the time the conversion becomes effective,
6 have been established or reestablished as a branch or branches of
7 such converting or converted organization, consistently with the
8 requirements, restrictions, and limitations of section 171. ~~or~~
9 ~~section 172.~~

10 Sec. 157. UPON WRITTEN NOTICE TO THE COMMISSIONER, A BANK
11 MAY CHANGE THE LOCATION OF ITS MAIN OFFICE TO ANY EXISTING BRANCH
12 LOCATION OF THE BANK WITHIN THE LIMITS OF THE CITY, VILLAGE, OR
13 TOWNSHIP IN WHICH THE BANK IS LOCATED. With the prior written
14 approval of the commissioner, ~~any~~ A bank may change the loca-
15 tion of its principal office to ~~a new~~ ANY OTHER location WITHIN
16 THIS STATE. ~~in the same city if established in a city, the same~~
17 ~~incorporated village if established in an incorporated village or~~
18 ~~the same township if established in an unincorporated village but~~
19 ~~not elsewhere.~~

20 Sec. 171. (1) With the written approval of the commission-
21 er, ~~any~~ A bank may establish and operate a branch or branches
22 within THIS STATE. ~~the same county in which the parent bank has~~
23 ~~its principal office or, if not in the county, then within 25~~
24 ~~miles of the parent bank or in a contiguous county at a point~~
25 ~~more than 25 miles from the parent bank, if the county does not~~
26 ~~have a bank. A branch shall not be established in a city or~~
27 ~~incorporated village in which a state or national bank or branch~~

1 ~~of a state or national bank is then in operation.~~ The
2 commissioner shall not grant approval unless the commissioner is
3 satisfied as to the sufficiency of the capital and surplus of the
4 bank ~~, the necessity for the establishment of the branch or~~
5 ~~branches,~~ and the prospects of successful operation if
6 established.

7 (2) With the written approval of the commissioner, ~~any~~ A
8 bank may establish and operate a branch or branches within the
9 limits of the city or incorporated village in which the bank is
10 located if the commissioner is satisfied as to the ~~necessity for~~
11 ~~the establishment of the branch or branches and the~~ prospects of
12 successful operation if established.

13 (3) A branch of any bank shall not be moved from 1 location
14 to another without the written approval of the commissioner.

15 (4) ~~Subsections (1) to (3) do not apply to the establish-~~
16 ~~ment or operation of a branch or branches by a section 172 bank,~~
17 ~~as defined in section 172.~~ WITH THE WRITTEN APPROVAL OF THE COM-
18 MISSIONER, A BANK MAY CONTRACT WITH ANOTHER BANK OR BANKS TO ACT
19 AS A BRANCH TO PROVIDE SERVICES TO THE CUSTOMERS OF THE CONTRACT-
20 ING BANK.

21 (5) Subject to the requirements, limitations, and restric-
22 tions of subsections (1) to (3), a state agency established and
23 operating pursuant to chapter 3A may establish and operate addi-
24 tional offices in this state.

25 Sec. 172. (1) For purposes of this section, ~~—~~ "SECTION
26 172 BANK" MEANS A BANK OR NATIONAL BANKING ASSOCIATION WHICH HAS
27 ON FILE WITH THE COMMISSIONER A WRITTEN STATEMENT AND CERTIFIED

1 RESOLUTION DESIGNATING THE BANK OR NATIONAL BANKING ASSOCIATION
2 AS A SECTION 172 BANK.

3 ~~(a) "Bank holding company" means a company as defined in~~
4 ~~section 2 of the bank holding company act of 1956, 12~~
5 ~~U.S.C. 1841, that is a bank holding company approved by the board~~
6 ~~of governors of the federal reserve system pursuant to the bank~~
7 ~~holding company act of 1956.~~

8 ~~(b) "Control" means control as defined in section 2 of the~~
9 ~~bank holding company act of 1956, 12 U.S.C. 1841.~~

10 ~~(c) "Main office" means the main office of a national bank~~
11 ~~ing association according to the records of the comptroller of~~
12 ~~the currency.~~

13 ~~(d) "Principal office" means the principal office of a bank~~
14 ~~according to the records of the commissioner.~~

15 ~~(e) "Section 172 bank" means a bank or national banking~~
16 ~~association which has on file with the commissioner a written~~
17 ~~statement and certified resolution as provided by subsection (2),~~
18 ~~or which becomes a section 172 bank as otherwise provided by this~~
19 ~~section. Section 172 bank does not include a bank or national~~
20 ~~banking association which ceases to be a section 172 bank as pro-~~
21 ~~vided by this section.~~

22 ~~(2) A bank or national banking association may at any time~~
23 ~~file with the commissioner a written statement signed by an exec-~~
24 ~~utive officer of the bank or national banking association desig-~~
25 ~~nating the bank or national banking association as a section 172~~
26 ~~bank, which statement shall be accompanied by a certified~~
27 ~~resolution of the board of directors of the bank or national~~

~~1 banking association authorizing the designation, except that not
2 more than 6 banks or national banking associations controlled by
3 a bank holding company shall at any time be section 172 banks.
4 The commissioner shall not permit a bank or national banking
5 association to file a designation under this subsection if the
6 designation would cause a bank holding company to control more
7 than 6 section 172 banks. If a section 172 bank is consolidated
8 or merged with or converted into 1 or more other banks or
9 national banking associations, the resulting or surviving bank
10 shall be a section 172 bank. If a section 172 bank sells all of
11 its branches to another bank or national banking association,
12 then on the effective date of the sale the purchasing bank or
13 national banking association shall become a section 172 bank and
14 the selling bank or national banking association shall cease to
15 be a section 172 bank. A designation as a section 172 bank shall
16 be effective upon filing with the commissioner and may not there-
17 after be revoked, withdrawn, or terminated, except as provided in
18 this subsection and in subsections (6) and (7).~~

~~19 (3) For purposes of subsection (5), the branching location
20 of a section 172 bank is the location of the principal office or
21 main office of the section 172 bank on the date the bank or
22 national banking association became a section 172 bank, except
23 that if a section 172 bank is consolidated or merged with 1 or
24 more other banks or national banking associations, or if a
25 section 172 bank sells its principal office or main office and
26 all of its branches, if it has branches, to another bank or~~

1 ~~national banking association, the branching location shall be~~
2 ~~determined as follows:~~

3 ~~(a) Subject to subdivision (c), if none of the other banks~~
4 ~~or national banking associations is a section 172 bank, or if the~~
5 ~~purchasing bank is not a section 172 bank, the branching location~~
6 ~~of the resulting, surviving, or purchasing bank or national bank-~~
7 ~~ing association, after the consolidation, merger, or sale, shall~~
8 ~~be the same as the branching location of the section 172 bank.~~

9 ~~(b) Subject to subdivision (c), if 1 or more of the other~~
10 ~~banks or national banking associations or the purchasing bank is~~
11 ~~also a section 172 bank, the branching location of the resulting,~~
12 ~~surviving, or purchasing bank or national banking association,~~
13 ~~after the consolidation, merger, or sale, shall be the same as~~
14 ~~the branching location of the section 172 bank that has the~~
15 ~~greatest total assets immediately before the effectiveness of the~~
16 ~~consolidation, merger, or sale.~~

17 ~~(c) If the resulting, surviving, or purchasing bank, on or~~
18 ~~before the effective date of the consolidation, merger, or sale~~
19 ~~of branches, files with the commissioner a written statement des-~~
20 ~~ignating the branching location of the resulting, surviving, or~~
21 ~~purchasing bank after the consolidation, merger, or sale as~~
22 ~~either the principal office or the main office of 1 of the banks~~
23 ~~or national banking associations that is a party to the transac-~~
24 ~~tion and is not a section 172 bank, or the branching location of~~
25 ~~a section 172 bank that is a party to the transaction, then the~~
26 ~~branching location of the resulting, surviving, or purchasing~~
27 ~~bank, after the consolidation, merger, or sale, shall be the~~

~~1 location designated in the statement. The designation shall be~~
~~2 effective upon the effective date of the consolidation, merger,~~
~~3 or sale of branches and may not thereafter be revoked, withdrawn,~~
~~4 or changed except as provided in this subdivision in connection~~
~~5 with a subsequent consolidation, merger, or sale of branches.~~

~~6 (4) If a section 172 bank is converted from a bank to a~~
~~7 national banking association or from a national banking associa-~~
~~8 tion to a bank, the branching location of the converted organi-~~
~~9 zation shall be the same as the branching location of the con-~~
~~10 verting organization immediately prior to the conversion. The~~
~~11 branching location of a section 172 bank shall at all times be at~~
~~12 the place determined under subsection (3) and this subsection,~~
~~13 notwithstanding that the principal office or main office or any~~
~~14 branch of the section 172 bank at the same place shall be moved~~
~~15 or closed or that the section 172 bank shall entirely cease con-~~
~~16 ducting business operations at that place.~~

~~17 (5) A section 172 bank may establish and operate branches as~~
~~18 follows:~~

~~19 (a) With the written approval of the commissioner, a~~
~~20 section 172 bank may establish and operate a branch or branches~~
~~21 within the same county in which the branching location of the~~
~~22 bank is located or, if not in the county, then within 25 miles of~~
~~23 the branching location or in a contiguous county at a point more~~
~~24 than 25 miles from the branching location, if the county does not~~
~~25 have a bank. A branch shall not be established in a city or~~
~~26 incorporated village in which a state or national bank or branch~~
~~27 thereof is then in operation. The commissioner shall not grant~~

1 ~~approval unless the commissioner is satisfied as to the~~
2 ~~sufficiency of the capital and surplus of the bank, the necessity~~
3 ~~for the establishment of the branch or branches and the prospects~~
4 ~~of successful operation if established.~~

5 ~~(b) With the written approval of the commissioner, a~~
6 ~~section 172 bank may establish and operate a branch or branches~~
7 ~~within the limits of the city or incorporated village in which~~
8 ~~the branching location of the bank is located if the commissioner~~
9 ~~is satisfied as to the necessity for the establishment of the~~
10 ~~branch or branches and the prospects of successful operation if~~
11 ~~established.~~

12 ~~(c) If a section 172 bank consolidates or merges with, or~~
13 ~~purchases any of the branches or the principal office or main~~
14 ~~office, with or without other assets, of, another bank or~~
15 ~~national banking association, which may also be a section 172~~
16 ~~bank, and if either the section 172 bank or the other bank or~~
17 ~~national banking association is not a qualifying bank, the~~
18 ~~resulting, surviving, or purchasing section 172 bank may estab-~~
19 ~~lish and operate as a branch or branches the principal office or~~
20 ~~main office and the branch or branches of the acquired bank or~~
21 ~~national banking association, subject to the requirements,~~
22 ~~restrictions, and limitations of subdivisions (a) and (b).~~

23 ~~(d) If a section 172 bank consolidates or merges with, or~~
24 ~~purchases any of the branches or the principal office or main~~
25 ~~office, with or without other assets, of, another bank or~~
26 ~~national banking association, which may also be a section 172~~
27 ~~bank, and if both the section 172 bank and the other bank or~~

~~1 national banking association are qualifying banks, the resulting,
2 surviving, or purchasing section 172 bank may operate as a branch
3 or branches the principal office or main office and the branch or
4 branches of the acquired bank or national banking association,
5 notwithstanding the requirements, restrictions, and limitations
6 of subdivisions (a) and (b):~~

~~7 (e) For purposes of this subsection:~~

~~8 (i) A bank or national banking association is a "qualifying
9 bank" if either of the following applies:~~

~~10 (A) On or before the later of December 31, 1984, or the date
11 2 1/2 years preceding a consolidation, merger, or purchase
12 described in subdivision (c) or (d), both of the following
13 apply:~~

~~14 (I) The bank or national banking association or any bank or
15 national banking association that was converted into the bank or
16 national banking association was in existence and operation or
17 was the subject of an organizational filing.~~

~~18 (II) Each predecessor of the bank or national banking asso-
19 ciation was in existence and operation or was the subject of an
20 organizational filing.~~

~~21 (B) At all times prior to a consolidation, merger, or pur-
22 chase described in subdivision (c) or (d) the bank or national
23 banking association was an interim bank.~~

~~24 (ii) "Organizational filing" means, in the case of a bank,
25 the filing with the commissioner of its application for organi-
26 zation, and, in the case of a national banking association, the~~

1 ~~filing with the comptroller of the currency of its articles of~~
2 ~~association and organization certificate.~~

3 ~~(iii) "Predecessor" means a bank or national banking associ-~~
4 ~~ation that was consolidated or merged with, or that sold any of~~
5 ~~its branches or its principal office or main office to, either~~
6 ~~the bank or national banking association in question or another~~
7 ~~predecessor of the bank or national banking association in ques-~~
8 ~~tion, except that, in the case of a consolidation or merger, the~~
9 ~~bank or national banking association is not a predecessor if it~~
10 ~~was an interim bank at all times prior to the consolidation or~~
11 ~~merger.~~

12 ~~(iv) A bank or national banking association is an "interim~~
13 ~~bank" during such time as it meets both of the following~~
14 ~~requirements:~~

15 ~~(A) It was organized solely for the purpose of consolidating~~
16 ~~or merging with, or purchasing any or all of the assets of,~~
17 ~~another bank or national banking association that, at the time of~~
18 ~~the consolidation, merger, or purchase, is not under common con-~~
19 ~~trol, directly or indirectly, with the bank or national banking~~
20 ~~association, or for the purpose of consolidating or merging with~~
21 ~~another bank or national banking association in order to cause~~
22 ~~the resulting or surviving bank or national banking association~~
23 ~~to be controlled by a bank holding company.~~

24 ~~(B) It has not established or operated a branch or branches~~
25 ~~and has not transacted any business except business incidental to~~
26 ~~its organization.~~

1 ~~(f) A branch of a bank that is a section 172 bank shall not~~
2 ~~be moved from one location to another, except that with the~~
3 ~~approval of the commissioner a branch may be moved to another~~
4 ~~location within the city, incorporated village, or township in~~
5 ~~which the branch is located.~~

6 ~~(g) Any provision of this subsection requiring a section 172~~
7 ~~bank to obtain approval of the commissioner does not apply to a~~
8 ~~section 172 bank that is a national banking association.~~

9 ~~(6) If at any time a bank holding company shall acquire con-~~
10 ~~trol of 1 or more section 172 banks and as a result of the acqui-~~
11 ~~sition of control shall have control of more than 6 section 172~~
12 ~~banks, the number of section 172 banks controlled by the bank~~
13 ~~holding company shall, within a period of 2 years following the~~
14 ~~date of acquisition of control, or such longer period as may be~~
15 ~~approved by the commissioner for good cause shown, be reduced to~~
16 ~~not more than 6, by either or both of the following means or by~~
17 ~~the taking of any other action permitted by law:~~

18 ~~(a) One or more of the section 172 banks may file with the~~
19 ~~commissioner a written statement revoking the designation of the~~
20 ~~bank or national banking association as a section 172 bank. The~~
21 ~~revocation shall be effective upon the date of filing and may not~~
22 ~~thereafter be withdrawn or revoked. Beginning on the effective~~
23 ~~date of the revocation, the former section 172 bank shall not be~~
24 ~~permitted to operate any branches that it would not have been~~
25 ~~permitted to establish or operate if it had never been a~~
26 ~~section 172 bank.~~

1 ~~(b) One or more of the section 172 banks may sell to 1 or~~
2 ~~more of the other section 172 banks all of the branches that the~~
3 ~~selling bank or national banking association would not have been~~
4 ~~permitted to establish or operate if it had never been a~~
5 ~~section 172 bank. Upon completion of the sale or sales, the~~
6 ~~selling bank or national banking association shall automatically~~
7 ~~cease to be a section 172 bank.~~

8 ~~(7) If after 2 years from the date of acquisition of control~~
9 ~~described in subsection (6), or such longer period as shall have~~
10 ~~been approved by the commissioner, the number of section 172~~
11 ~~banks controlled by the bank holding company shall exceed 6, all~~
12 ~~of the section 172 banks controlled by the bank holding company~~
13 ~~shall thereupon automatically cease to be section 172 banks, and~~
14 ~~each former section 172 bank shall cease to operate any branches~~
15 ~~that it would not have been permitted to establish or operate if~~
16 ~~it had never been a section 172 bank.~~

17 (2) A DESIGNATION AS A SECTION 172 BANK MAY NOT BE REVOKED,
18 WITHDRAWN, OR TERMINATED, EXCEPT AS PROVIDED IN THIS SECTION.

19 (3) AT ANY TIME A SECTION 172 BANK MAY FILE WITH THE COMMIS-
20 SIONER A WRITTEN STATEMENT REVOKING THE DESIGNATION OF THE BANK
21 OR NATIONAL BANKING ASSOCIATION AS A SECTION 172 BANK. THE REVO-
22 CATION SHALL BE EFFECTIVE UPON THE DATE OF FILING AND MAY NOT BE
23 WITHDRAWN OR REVOKED.