## SLS 22RS-251

## ORIGINAL

2022 Regular Session

SENATE BILL NO. 174

BY SENATOR REESE

BANKS/BANKING. Provides relative to shareholder remedies within the state banking code. (8/1/22)

1	AN ACT
2	To amend and reenact R.S. 12:1-1435(I) and to enact R.S. 6:518, 908, and 1153, relative to
3	oppressed shareholders; to provide for shareholder's remedies; relative to bank
4	holding companies; relative to shareholder's rights to withdraw shares; to provide for
5	an effective date; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 12:1-1435(I) is hereby amended and reenacted to read as follows:
8	§1-1435. Oppressed shareholder's right to withdraw
9	* * *
10	I. A corporation's obligation to purchase a withdrawing shareholder's shares
11	as provided in this Section or R.S. 12:1-1436 is subject to any limitation or
12	requirement respecting a corporation's acquisition of its own shares as imposed by
13	R.S. 12:1-631, R.S. 12:1-640, <b><u>R.S. 6:518</u></b> , or any other provision of state or federal
14	law applicable to the corporation, including any order, plan, directive, or
15	enforcement action issued by an administrative or regulatory agency pursuant to state
16	or federal law.
17	* * *

Page 1 of 3 Coding: Words which are <del>struck through</del> are deletions from existing law; words in **boldface type and underscored** are additions.

1	Section 2. R.S. 6:518, 908, and 1153 are hereby enacted to read as follows:
2	§518. Oppressed shareholder's remedies
3	A. For the purpose of R.S. 12:1-1435(I), if the corporation is a bank
4	holding company, any obligation to purchase a withdrawing shareholder's
5	shares shall:
6	(1) Be subject to any policy, limitation, requirement, order, plan,
7	directive, or enforcement action of any regulatory agency having jurisdiction
8	over the bank holding company or any subsidiary insured by the Federal
9	<b>Deposit Insurance Corporation;</b>
10	(2) Not cause the bank holding company or any subsidiary insured by the
11	Federal Deposit Insurance Corporation to cease to be sufficiently capitalized
12	under applicable law and regulations; or
13	(3) Jeopardize the safety and soundness of the bank holding company or
14	any of its subsidiaries insured by the Federal Deposit Insurance Corporation.
15	<b>B.</b> For the purposes of this Section the term "bank holding company"
16	shall have the meaning as set forth in 12 U.S.C. 1841.
17	* * *
18	§908. Oppressed shareholder's remedies
19	The provisions of R.S. 6:518 shall be applicable to savings and loan
20	holding companies and their subsidiaries insured by the Federal Deposit
21	Insurance Corporation.
22	* * *
23	§1153. Oppressed shareholder's remedies
24	The provisions of R.S. 6:518 shall be applicable to savings and loan
25	holding companies and their subsidiaries insured by the Federal Deposit
26	Insurance Corporation.

SB 174 Original

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Xavier I. Alexander.

## DIGEST 2022 Regular Session

Reese

<u>Proposed law</u> provides that a bank holding company's obligation to purchase a withdrawing shareholder's shares shall:

- (1) Be subject to any policy, limitation, requirement, order, plan, directive, or enforcement action of any regulatory agency having jurisdiction over the bank holding company or any subsidiary insured by the FDIC;
- (2) Not cause the bank holding company or any subsidiary insured by the FDIC to cease to be sufficiently capitalized under applicable law and regulations; or
- (3) Jeopardize the safety and soundness of the bank holding company or any of its subsidiaries insured by the FDIC.

Effective August 1, 2022.

(Amends R.S. 12:1-1435(I); adds R.S. 6:518, 908, and 1153)