

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  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17

AN ACT

To amend and reenact R.S. 12:1-1435(I) and to enact R.S. 6:518, 908, and 1153, relative to oppressed shareholders; to provide for shareholder's remedies; relative to bank holding companies; relative to shareholder's rights to withdraw shares; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 12:1-1435(I) is hereby amended and reenacted to read as follows:  
§1-1435. Oppressed shareholder's right to withdraw

\* \* \*

I. A corporation's obligation to purchase a withdrawing shareholder's shares as provided in this Section or R.S. 12:1-1436 is subject to any limitation or requirement respecting a corporation's acquisition of its own shares as imposed by R.S. 12:1-631, R.S. 12:1-640, **R.S. 6:518**, or any other provision of state or federal law applicable to the corporation, including any order, plan, directive, or enforcement action issued by an administrative or regulatory agency pursuant to state or federal law.

\* \* \*

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 be subject to any policy, limitation, requirement, order, plan,**  
 6 **directive, or enforcement action of any regulatory agency having jurisdiction**  
 7 **over the bank holding company or any subsidiary insured by the Federal**  
 8 **Deposit Insurance Corporation and shall not cause the bank holding company**  
 9 **or any subsidiary insured by the Federal Deposit Insurance Corporation to**  
 10 **cease to be sufficiently capitalized under applicable law and regulations, or**  
 11 **otherwise jeopardize the safety and soundness of the bank holding company or**  
 12 **any of its subsidiaries insured by the Federal Deposit Insurance Corporation.**

13 **B. For the purposes of this Section the term "bank holding company"**  
 14 **shall have the meaning as set forth in 12 U.S.C. 1841.**

15 \* \* \*

16 **§908. Oppressed shareholder's remedies**

17 **The provisions of R.S. 6:518 shall be applicable to savings and loan**  
 18 **holding companies and their subsidiaries insured by the Federal Deposit**  
 19 **Insurance Corporation.**

20 \* \* \*

21 **§1153. Oppressed shareholder's remedies**

22 **The provisions of R.S. 6:518 shall be applicable to savings and loan**  
 23 **holding companies and their subsidiaries insured by the Federal Deposit**  
 24 **Insurance Corporation.**

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

SB 174 Engrossed	<p style="text-align: center;">DIGEST 2022 Regular Session</p>	Reese
------------------	--	-------

Present law provides relative to an oppressed shareholder's right to withdraw.

Proposed law provides if the corporation is a bank holding company, any obligation to purchase a withdrawing shareholder's shares shall 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 and shall 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 otherwise 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)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Make technical amendments.