

Title 9-B: FINANCIAL INSTITUTIONS
Chapter 101: FINANCIAL INSTITUTION HOLDING COMPANIES

Table of Contents

Part 10. OTHER FINANCIAL ENTITIES.....	
Section 1011. DEFINITIONS.....	3
Section 1012. REGISTRATION.....	4
Section 1013. ACQUISITION OF INTERESTS IN FINANCIAL INSTITUTIONS.....	5
Section 1014. CLOSELY-RELATED ACTIVITIES.....	6
Section 1015. APPLICATIONS.....	7
Section 1016. REPORTS AND EXAMINATIONS.....	9
Section 1017. CONFORMITY WITH FEDERAL PROCEDURES.....	9
Section 1018. EXCLUSION.....	9
Section 1019. PROHIBITIONS.....	10
Section 1019-A. NOTIFICATION OF SUPERINTENDENT; PURCHASE OF OWN SHARES.....	10
Section 1020. ANNUAL REPORTS TO THE LEGISLATURE (REPEALED).....	11

Maine Revised Statutes
Title 9-B: FINANCIAL INSTITUTIONS
Chapter 101: FINANCIAL INSTITUTION HOLDING COMPANIES

§1011. DEFINITIONS

As used in this chapter, unless the context indicates otherwise, the following terms have the following meanings. [1977, c. 663, §57 (RPR).]

1. Financial institution holding company. "Financial institution holding company" means any company which has control over any financial institution or has control over any company which controls any financial institution.

[1975, c. 500, §1 (NEW) .]

2. Maine financial institution holding company. "Maine financial institution holding company" means any company whose home state is this State and that has control over any Maine financial institution or has control over a company that controls a Maine financial institution.

[2007, c. 79, §12 (AMD) .]

3. Company. "Company" means a corporation, partnership, business trust, association or similar organization organized under the laws of the United States, any political subdivisions of the United States or a country other than the United States.

[1997, c. 182, Pt. A, §4 (AMD) .]

4. Control. A company controls another company, referred to in this chapter as a "subsidiary," if it owns 25% or more of the equity interest of the subsidiary or if under the federal Bank Holding Company Act of 1956, as amended, under the federal Home Owners' Loan Act, Section 1467A, as amended, or under the Federal Deposit Insurance Act, as amended, or regulations or policy statements issued thereunder, that company is presumed to control the subsidiary or a determination has been made by the superintendent that the company exercises a controlling influence over the management and policies of the subsidiary.

[2001, c. 211, §23 (AMD) .]

5. Engagement in activities of subsidiaries. A financial institution holding company shall be deemed to own shares owned by a subsidiary, and to engage in activities engaged in by a subsidiary or by any other company of which it owns 5% or more of the voting shares.

[1975, c. 500, §1 (NEW) .]

6. Maine financial institution. "Maine financial institution" means a financial institution defined in section 131, subsection 17.

[2007, c. 79, §13 (AMD) .]

7. Non-Maine financial institution holding company. "Non-Maine financial institution holding company" means a financial institution holding company whose home state is not this State.

[1995, c. 628, §27 (AMD) .]

8. Principally conducted.

[1995, c. 628, §28 (RP) .]

9. Acquisition of voting shares. "Acquisition of voting shares" includes, without limitation, the acquisition of the voting power of those shares, whether by direct or indirect purchase, by single or multiple transactions or any other means.

[1985, c. 642, §4 (NEW) .]

10. Person. "Person" means an individual or individuals acting in concert, including individuals who are citizens of one or more countries, and any colonies, dependencies or possessions of those countries, other than the United States.

[1997, c. 182, Pt. A, §5 (AMD) .]

11. Home state. "Home state," with respect to a financial institution holding company, means the state in which the total deposits of all financial institution subsidiaries of that company are the largest on the later of July 1, 1966 or the date on which the company becomes a financial institution holding company under this Title.

[1995, c. 628, §29 (NEW) .]

12. Host state. "Host state," with respect to a financial institution holding company, means a state, other than the home state of the company, in which the company controls or seeks to control a financial institution subsidiary.

[1995, c. 628, §29 (NEW) .]

13. Foreign bank holding company. "Foreign bank holding company" means any company that controls, directly or indirectly, a foreign bank.

[1997, c. 182, Pt. A, §6 (NEW) .]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1975, c. 666, §§31-A (AMD). 1979, c. 663, §57 (AMD). 1983, c. 302, §1 (AMD). 1985, c. 642, §§3,4 (AMD). 1991, c. 386, §26 (AMD). 1995, c. 628, §§26-29 (AMD). 1997, c. 182, §§A4-6 (AMD). 2001, c. 211, §23 (AMD). 2007, c. 79, §§12, 13 (AMD).

§1012. REGISTRATION

1. Requirements. Any company that controls one or more Maine financial institutions shall register with the superintendent in accordance with procedures established by him.

[1975, c. 500, §1 (NEW) .]

2. Time limitation. Unless the superintendent allows an additional time, registration must be completed within 180 days after October 1, 1975, or after the company acquires control of a Maine financial institution, whichever is later.

[1997, c. 2, §39 (COR) .]

SECTION HISTORY

1975, c. 500, §1 (NEW). RR 1997, c. 2, §39 (COR).

§1013. ACQUISITION OF INTERESTS IN FINANCIAL INSTITUTIONS

1. Superintendent's approval. The prior approval of the superintendent is required for any of the following transactions:

A. Acquisition of control of a Maine financial institution or any financial institution or financial institution holding company controlling, directly or indirectly, a Maine financial institution, by any person or company; [1989, c. 16, §1 (RPR).]

B. Acquisition of more than 5% of the voting shares of a Maine financial institution or any financial institution or financial institution holding company controlling, directly or indirectly, a Maine financial institution, by a financial institution, financial institution holding company, foreign bank or foreign bank holding company; or [1997, c. 182, Pt. A, §7 (AMD).]

C. Acquisition of more than 5% of the voting shares of a financial institution, or a foreign bank by a Maine financial institution or a Maine financial institution holding company. [2007, c. 79, §14 (AMD).]

[2007, c. 79, §14 (AMD) .]

1-A. Notification. Notwithstanding subsection 1, any person or company that acquires directly or indirectly more than 5% of the voting shares of a Maine financial institution or Maine financial institution holding company shall within 5 days of the acquisition file with the superintendent a statement containing the following information and any additional information as the superintendent prescribes as necessary or appropriate in the public interest:

A. The background and identity of the person or company acquiring the voting shares; [1985, c. 642, §6 (NEW).]

B. The source and amount of the funds or other consideration used in making the purchase; and [1985, c. 642, §6 (NEW).]

C. Any plans or proposals that any acquiring person or company making the acquisition may have to liquidate the Maine financial institution or Maine financial institution holding company, to sell its assets or merge it with any company or to make any other major change in its business, corporate structure or management. [2007, c. 79, §15 (AMD).]

The superintendent shall promptly notify the Maine financial institution or Maine financial institution holding company when a notice has been filed pursuant to this section. The notice must identify the fact of the acquisition and the identity of the person or company acquiring the voting shares.

Any person or company must also file notice under this section when there is material change in ownership. The acquisition of an aggregate of more than another 5% of the voting shares is a material change.

[2007, c. 79, §15 (AMD) .]

2. Acquisition by out-of-state company.

[1995, c. 628, §31 (RP) .]

3. Requirements for acquisition or establishment. A financial institution holding company, foreign bank or foreign bank holding company may establish, acquire or maintain control of a Maine financial institution or Maine financial institution holding company with prior approval of the superintendent, subject to the following conditions.

A. The Maine financial institution or Maine financial institution holding company to be established or acquired shall enter into an agreement with the superintendent to provide reports and permit examination of its records to the extent considered necessary by the superintendent to ensure compliance with this section and other relevant provisions of this Title and any rules adopted under this Title. [2007, c. 79, §16 (AMD).]

B. A Maine financial institution or Maine financial institution holding company, control of which is to be acquired or held, must have, on the date of acquisition or establishment, and shall maintain a minimum equity capital that the superintendent determines acceptable given the market area to be served and the general plan of business of the Maine financial institution or Maine financial institution holding company. Equity capital must be maintained consistent with sound banking practices. [1995, c. 628, §32 (AMD).]

C. [2007, c. 79, §17 (RP).]

[2007, c. 79, §16 (AMD); 2007, c. 79, §17 (AMD) .]

4. Application; information on "net new funds" to be brought to Maine.

[1995, c. 628, §33 (RP) .]

5. Regulations. The superintendent may adopt rules to supplement the requirements of this section.

[2007, c. 79, §18 (AMD) .]

Notwithstanding the foregoing, a Maine financial institution holding company is not required to obtain the approval of the superintendent for the acquisition of additional shares in a financial institution that the Maine financial institution holding company owned or controlled by a majority of the voting shares prior to the acquisition of additional shares. [2007, c. 79, §19 (AMD).]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1977, c. 223, (AMD). 1979, c. 349, (AMD). 1983, c. 55, §3 (AMD). 1983, c. 302, §§2,3 (AMD). 1983, c. 597, §§2-4 (AMD). 1985, c. 642, §§5,6 (AMD). 1987, c. 90, §1 (AMD). 1989, c. 16, §1 (AMD). 1995, c. 628, §§30-33 (AMD). 1997, c. 182, §§A7-9 (AMD). 2007, c. 79, §§14-19 (AMD).

§1014. CLOSELY-RELATED ACTIVITIES

1. Permissible activities. A Maine financial institution holding company may engage in any closely related activity or any other activity with the prior permission of the superintendent.

[1997, c. 398, Pt. K, §9 (AMD) .]

2. Termination of nonpermissible activities. A financial institution holding company that is engaged in an activity that is not permissible for Maine financial institution holding companies to engage in may nevertheless acquire control of a Maine financial institution with the approval of the superintendent as provided in section 1013; provided that before the acquisition is consummated such financial institution holding company shall cease to engage in that activity in Maine, unless it is exempted from the prohibitions of subsection 1 by reason of subsection 3.

[1975, c. 500, §1 (NEW) .]

3. Exemptions. The prohibitions of subsection 1 do not apply with respect to any activity in which a Maine financial institution holding company was lawfully engaged in on October 1, 1975, unless the superintendent, after notice and opportunity for a hearing, determines that termination of the activity is necessary to assure the safety and soundness of a subsidiary financial institution. Any expansion of such activity in this State would be subject to such conditions as the superintendent may require.

[1997, c. 2, §40 (COR) .]

4. Impermissible activity. The establishment or acquisition of control of a Maine financial institution does not constitute an activity permitted by this section. A financial institution holding company which seeks to establish or acquire control of a Maine financial institution is subject to the provisions of sections 1013 and 1015.

[1983, c. 252, (NEW) .]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1983, c. 252, (AMD). 1987, c. 90, §2 (AMD). RR 1997, c. 2, §40 (COR). 1997, c. 398, §K9 (AMD).

§1015. APPLICATIONS

1. Requirements. Except as provided in subsection 5, approval of the superintendent must be obtained for the following actions:

- A. Acquisition by a person or company of control of a Maine financial institution or any financial institution or financial institution holding company controlling, directly or indirectly, a Maine financial institution; [2007, c. 79, §20 (AMD) .]
- B. Acquisitions by a financial institution, financial institution holding company, foreign bank or foreign bank holding company of interests in a Maine financial institution or any financial institution or financial institution holding company controlling, directly or indirectly, a Maine financial institution in excess of 5% of the voting shares of such financial institution or financial institution holding company; [1997, c. 182, Pt. A, §10 (AMD) .]
- C. Acquisition or establishment by a Maine financial institution or a Maine financial institution holding company of a financial institution, including a foreign bank, in excess of 5% of the voting shares of such institution; [2007, c. 79, §21 (AMD) .]
- D. Authority for a Maine financial institution holding company to engage in a closely related activity or any other activity or to acquire or establish a subsidiary to engage in a closely related activity or any other activity; or [2001, c. 211, §24 (AMD) .]
- E. Authority for any financial institution holding company, foreign bank or foreign bank holding company controlling a Maine financial institution to engage in a closely related activity in the State or to acquire or establish a subsidiary in the State to engage in a closely related activity. [2001, c. 211, §25 (AMD) .]

[2007, c. 79, §§20, 21 (AMD) .]

2. Criteria for approval. Applications for approvals required in subsection 1 must be filed pursuant to procedures established by the superintendent. Action on those applications must be taken in accordance with the requirements of section 252 and is subject to the standards set forth in section 253, except that applications for approval under subsection 1, paragraph A are not subject to the standards set forth in section 253, subsection 2, paragraphs C and D. In addition, applications for approvals required in subsection 1 by foreign banks are subject to the following additional criteria:

A. The foreign bank or foreign bank holding company engages in the banking business outside of the United States and is subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in its home country, or the superintendent finds that the appropriate authorities in the home country of the foreign bank are actively working to establish arrangements for the consolidated supervision of such bank; and [1997, c. 182, Pt. A, §12 (NEW).]

B. Whether the foreign bank or foreign bank holding company has provided the superintendent with adequate assurances that it will make available to the superintendent such information on the operations or activities of the foreign bank, foreign bank holding company and any affiliate of the foreign bank or foreign bank holding company that the superintendent considers necessary to determine and enforce compliance with this Title and other applicable state law. [1997, c. 182, Pt. A, §12 (NEW).]

[2007, c. 79, §22 (AMD) .]

3. Application fee. An application for approval required in subsection 1 may not be considered complete by the superintendent unless accompanied by an application fee to be credited and used as provided in section 214. The superintendent shall establish the amount of the fee according to subsection 1; the fee may not exceed \$7,500.

[1995, c. 628, §35 (AMD) .]

4. Exceptions for permissible activities.

[1997, c. 398, Pt. K, §11 (RP) .]

5. Exceptions for closely related and other activities. Notwithstanding subsection 1, a Maine financial institution holding company may acquire or establish a subsidiary to engage in any activity and a financial institution holding company controlling a Maine financial institution may acquire or establish a subsidiary in Maine to engage in any activity without the prior approval of the superintendent subject to the following conditions.

A. If the assets of the company being acquired are less than 15% of the financial institution holding company's total consolidated assets and the company being acquired is not a financial institution or financial institution holding company, approval or notice is not required. [1997, c. 398, Pt. K, §12 (NEW).]

B. If the assets of the company being acquired are between 15% and 50% of the financial institution holding company's total consolidated assets, the financial institution holding company must notify the superintendent at least 10 days prior to consummating the transaction. The superintendent may require that an application be filed pursuant to section 252 if the following conditions are not satisfied and, based on a preliminary analysis, the superintendent concludes that the transaction may have a material adverse effect on the financial condition of the financial institution holding company and its ability to act as a source of strength to the Maine financial institution:

(1) Before and immediately after the proposed transaction, the acquiring Maine financial institution and financial institution holding company are well capitalized, as determined by the superintendent; and

(2) At the time of the transaction, the acquiring Maine financial institution and financial institution holding company are well managed, as defined in section 446-A. [2007, c. 79, §23 (AMD) .]

C. If the assets of the company being acquired are greater than 50% of the financial institution holding company's total consolidated assets, the holding company must file an application pursuant to section 252. [1997, c. 398, Pt. K, §12 (NEW).]

D. An application or notice required under this subsection is not complete unless accompanied by a fee to be credited and used as provided in section 214. The superintendent shall establish the amount of the fee, which may not exceed \$2,500. [1999, c. 218, §27 (NEW).]

[2007, c. 79, §23 (AMD) .]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1983, c. 201, §5 (AMD). 1983, c. 302, §§4,5 (AMD). 1985, c. 642, §§7,8 (AMD). 1987, c. 90, §3 (AMD). 1989, c. 16, §§2,3 (AMD). 1995, c. 628, §§34,35 (AMD). 1997, c. 22, §§25,26 (AMD). 1997, c. 182, §§A10-12 (AMD). 1997, c. 398, §§K10-12 (AMD). 1997, c. 683, §A2 (AMD). 1999, c. 218, §27 (AMD). 2001, c. 211, §§24,25 (AMD). 2007, c. 79, §§20-23 (AMD).

§1016. REPORTS AND EXAMINATIONS

The superintendent may require any financial institution holding company that controls a Maine financial institution to furnish such reports as the superintendent considers appropriate to the proper supervision of such companies. Unless the superintendent determines otherwise, reports prepared for Federal authorities or, in the case of a foreign bank or foreign bank holding company, reports prepared for the home country regulatory authorities and translated to English may be submitted by such holding company in satisfaction of the requirements of this section. If such information and reports are inadequate in the superintendent's judgment for that purpose, the superintendent may examine such financial institution holding company and any subsidiary doing business in Maine. Section 214 applies with respect to any such examination. [1997, c. 182, Pt. A, §13 (AMD).]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1997, c. 182, §A13 (AMD).

§1017. CONFORMITY WITH FEDERAL PROCEDURES

To the maximum extent consistent with the effective discharge of the superintendent's responsibilities, the forms established under this chapter for registration, applications and reports must conform with those established under either the Bank Holding Company Act of 1956 or section 408 of the National Housing Act, or the federal International Banking Act of 1978 and regulations promulgated under the federal International Banking Act of 1978. [1997, c. 182, Pt. A, §13 (AMD).]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1997, c. 182, §A13 (AMD).

§1018. EXCLUSION

The superintendent may exclude financial institution holding companies or other companies from the provisions of this chapter when control of a Maine financial institution arises out of the acquisition of shares in a fiduciary capacity, or in connection with an underwriting of securities or proxy solicitation, or in securing or collecting a debt. When control of a Maine financial institution arises in connection with securing or collecting a debt, the acquiring institution or company may be excluded from the provisions of this chapter if the acquiring institution or company divests the securities within 2 years of acquisition. The superintendent may grant requests for up to 3 one-year extensions. [1993, c. 538, §4 (AMD).]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1993, c. 538, §4 (AMD).

§1019. PROHIBITIONS

1. Prohibited practices. To the extent provided for therein, financial institution holding companies subject to the laws of this State shall be subject to chapters 24 and 46.

[1975, c. 500, §1 (NEW) .]

2. Penalties. Any person or company violating any provision of this chapter, or any regulation promulgated thereunder, is subject to a penalty of not more than \$1,000 per day for each day the violation continues, to be recovered in a civil action in the name of the State.

Any company or Maine financial institution violating section 1013, subsection 3, or any regulation promulgated under that section, is subject to a penalty of not more than \$1,000 a day for each day the violation continues. The superintendent shall report the violation forthwith, with such remarks as the superintendent determines appropriate, to the Attorney General, who may forthwith institute a civil action therefor on behalf of the State.

[1997, c. 182, Pt. A, §14 (AMD) .]

3. Remedy for violation of section 1013. A Maine financial institution or any financial institution holding company which violates section 1013 shall be subject to the provisions of chapters 23 and 24.

[1983, c. 302, §7 (AMD) .]

SECTION HISTORY

1975, c. 500, §1 (NEW). 1983, c. 302, §§6,7 (AMD). 1985, c. 642, §9 (AMD). 1997, c. 182, §A14 (AMD).

§1019-A. NOTIFICATION OF SUPERINTENDENT; PURCHASE OF OWN SHARES

A Maine financial institution holding company shall provide the superintendent with prior notification regarding the following transactions: [1991, c. 386, §27 (AMD) .]

1. Issuance of stock, capital notes or debentures. The issuance of equity interest, capital notes or debentures with an original maturity of 3 years or greater. Notice must be provided at least 10 days prior to issuance and must contain a copy of any United States Securities and Exchange Commission filings, private placement memoranda or other documents describing the proposed issue to potential investors;

[2005, c. 82, §13 (AMD) .]

2. Purchase of own capital stock. The purchase of shares of any type of its own equity interest. Notice must contain such information as required by the superintendent; and

[2005, c. 82, §13 (AMD) .]

3. Exception requiring approval. The issuance of equity interest or capital notes by a Maine financial institution holding company that is not required to file notice with the United States Securities and Exchange Commission. Issuance under this subsection also requires prior approval of the superintendent. A Maine financial institution holding company may not purchase or redeem its equity interests without

the superintendent's prior written approval if the gross consideration for purchase or redemption, when aggregated with the net consideration paid by the company for all such purchases or redemptions during the preceding 12 months, is equal to 10% or more of the company's consolidated net worth.

[2005, c. 82, §14 (NEW) .]

SECTION HISTORY

1987, c. 90, §4 (NEW). 1991, c. 386, §27 (AMD). 2005, c. 82, §§13,14 (AMD).

§1020. ANNUAL REPORTS TO THE LEGISLATURE

(REPEALED)

SECTION HISTORY

1983, c. 597, §5 (NEW). 1983, c. 816, §B3 (RP).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Special Session of the 128th Maine Legislature and is current through November 1, 2017. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.