



Ohio Revised Code

Section 1116.20 Subsidiary holding company; issuance of securities.

Effective: January 1, 2018

Legislation: House Bill 49 - 132nd General Assembly

(A) A mutual holding company may establish a subsidiary holding company as a direct subsidiary to hold one hundred per cent of the stock of its subsidiary stock state bank, provided the subsidiary holding company is not formed and operated as a means of evading or frustrating the purposes of this chapter. Subject to the approval of the superintendent of financial institutions, the subsidiary holding company may be established either at the time of the initial mutual holding company reorganization or at a subsequent date.

(B) In addition to its powers under Chapters 1107. and 1109. of the Revised Code, any subsidiary stock state bank or subsidiary holding company may, with the prior approval of the superintendent and subject to such rules as the superintendent may prescribe, issue one or more classes of securities, including one or more classes of common stock or preferred stock, and take any action in connection with such issuance or otherwise with respect to any such securities; provided, however, that in no event shall the mutual holding company hold less than twenty-five per cent of the combined voting power of all classes of securities of the subsidiary stock holding company or stock state bank that have voting power in the election of directors of such stock state bank.

(C) Nothing in this section shall prohibit a subsidiary stock state bank or subsidiary stock holding company from issuing, in connection with an employee stock option or other employee benefit plan or with the mutual holding company reorganization or subsequent thereto, different classes of common stock to the mutual holding company and subsidiary stock state bank or subsidiary stock holding company. An issuance of securities may be made at the time of the mutual holding company reorganization or thereafter, and may be made in connection with the merger or acquisition of another bank whether organized in mutual or stock form.
