

524.1309 Becoming subject to chapter 490.

In lieu of the dissolution procedure prescribed in [sections 524.1303 through 524.1306](#), a state bank may cease to carry on the business of banking and, after compliance with [this section](#), continue as a corporation subject to [chapter 490](#).

1. A state bank that has commenced business may propose to voluntarily cease to carry on the business of banking and become a corporation subject to [chapter 490](#) upon the affirmative vote of the holders of at least a majority of the shares entitled to vote on such proposal, adopting a plan involving both a provision for acquisition of its assets and assumption of its liabilities by another state bank, national bank, or other financial institution insured by the federal deposit insurance corporation, and a provision for continuance of its business if acquisition of its assets and assumption of its liabilities is not effected, or any other plan providing for the cessation of banking business and the payment of its liabilities.

2. The application to the superintendent for approval of a plan described in [subsection 1](#) shall be treated by the superintendent in the same manner as an application for approval of a plan of dissolution under [section 524.1303](#), [subsection 2](#), and shall be subject to [section 524.1305](#), [subsections 8 and 9](#).

3. Immediately upon adoption and approval of a plan to voluntarily cease to carry on the business of banking and become a corporation subject to [chapter 490](#), the state bank shall submit an application for the required approval by the superintendent in the manner prescribed by the superintendent. As part of this application, the state bank shall deliver to the superintendent a plan to cease the business of banking and become a corporation subject to [chapter 490](#) which shall be signed by two of its duly authorized officers and shall contain the name of the state bank, the post office address of its principal place of business, the name and address of its officers and directors, the number of shares entitled to vote on the plan and the number of shares voted for or against the plan, respectively, the nature of the business to be conducted by the corporation under [chapter 490](#), and the general nature of the assets to be held by the corporation or company. As part of the application, the state bank shall also deliver to the superintendent articles of intent to be subject to [chapter 490](#), together with the applicable filing fees, which shall set forth that the state bank has complied with [this section](#), that it intends to cease to carry on the business of banking, and the information required by [section 490.202](#) relative to the contents of articles of incorporation under [chapter 490](#).

4. Upon approval of the plan by the superintendent, the state bank shall immediately surrender to the superintendent its authorization to do business as a bank and shall cease to accept deposits and carry on the banking business except insofar as may be necessary for it to complete the settlement of its affairs as a state bank in accordance with [subsection 5](#). Upon request, the superintendent shall expressly revoke the state bank's authorization to do business and return the physical copy of such state bank's authorization to do business in a manner clearly indicating that the authorization has been revoked.

5. The board of directors has full power to complete the settlement of the affairs of the state bank. Within thirty days after approval by the superintendent of the plan to cease the business of banking and become a corporation subject to [chapter 490](#) the state bank shall give notice of its intent to persons identified in [section 524.1305](#), [subsection 3](#), in the manner provided for in that subsection. In completing the settlement of its affairs as a state bank, the state bank shall also follow the procedure prescribed in [section 524.1305](#), [subsections 4, 5, and 6](#).

6. If the superintendent finds that the state bank has complied with all requirements of [this section](#) and that the articles of intent to be subject to [chapter 490](#) satisfy the requirements of [this section](#), the superintendent shall deliver them to the secretary of state for filing in the secretary of state's office.

7. Upon the filing of the articles of intent to be subject to [chapter 490](#), the state bank shall immediately cease to be a state bank subject to [this chapter](#), and shall immediately cease to have the powers of a state bank subject to [this chapter](#) and shall become a corporation subject to [chapter 490](#). The secretary of state shall issue a certificate as to the filing of the articles of intent to be subject to [chapter 490](#) and send the certificate to the corporation or its representative. The articles of intent to be subject to [chapter 490](#) shall be the articles of incorporation of the corporation. The provisions of [chapter 490](#) becoming applicable to

a corporation formerly doing business as a state bank shall not affect any right accrued or established, or liability or penalty incurred under [this chapter](#) prior to the filing with the secretary of state of the articles of intent to be subject to [chapter 490](#).

8. A shareholder of a state bank who objects to adoption by the state bank of a plan to cease to carry on the business of banking and to continue as a corporation subject to [chapter 490](#) is entitled to appraisal rights provided for in [chapter 490, subchapter XIII](#).

9. A state bank, at any time prior to the approval of the articles of intent to become subject to [chapter 490](#), may revoke the proceedings in the manner prescribed by [section 524.1306](#).

[C71, 73, 75, 77, 79, 81, §524.1309]

90 Acts, ch 1205, §43; 95 Acts, ch 148, §104 – 106; 2002 Acts, ch 1154, §114, 125; 2004 Acts, ch 1141, §69; 2005 Acts, ch 19, §111; 2008 Acts, ch 1162, §149, 150, 154, 155; 2019 Acts, ch 24, §104; 2020 Acts, ch 1063, §302; 2022 Acts, ch 1062, §113

Section amended