

187—2.7(17A,524) Renewal, amendment or restatement of articles of incorporation.

2.7(1) Application. Sample forms and instructions for making application to the superintendent to renew, amend or restate existing articles of incorporation of a state bank will be furnished upon request to the superintendent. State banks desiring to effect a reverse stock split or similar change in capital structure by such renewal, amendment, or restatement should contact the superintendent to discuss the proposal prior to its adoption.

2.7(2) Investigation. The superintendent may conduct an investigation as deemed necessary.

2.7(3) Reverse stock split. Before the superintendent approves any renewal, amendment, or restatement of existing articles of incorporation of a state bank that would effect a reverse stock split or similar change in the capital structure of the state bank and require any of its shareholders to surrender their shares of bank stock for cash, all of the following requirements shall have been satisfied:

a. The board of directors shall adopt a resolution granting all shareholders of the state bank the rights and remedies of a dissenting shareholder as provided for in Iowa Code chapter 490, division XIII;

b. The state bank shall have provided to all of its shareholders a full and adequate disclosure of all material aspects of the proposed transaction, which disclosure shall have accompanied the notice of the shareholder meeting held to consider the proposed renewal, amendment, or restatement of existing articles of incorporation; and

c. A determination shall have been made by the superintendent that the cash price being paid for the surrendered stock is reasonable. The following factors may be considered by the superintendent in making the determination as to whether the cash price for such stock is reasonable:

- (1) The book value of the bank stock;
- (2) Recent sales prices of the bank stock;
- (3) Appraisals of the bank stock;
- (4) Bank earnings and stock dividend payment history;
- (5) Total number of shares being surrendered; and
- (6) Any other relevant factors as the superintendent may prescribe.

2.7(4) Decision. The superintendent shall approve or deny the application within 90 days after the application has been accepted for processing. The decision by the superintendent shall be conveyed in writing to the applicant. If the application is approved, the renewed, amended or restated articles of incorporation will be approved and forwarded to the secretary of state for filing and recording. Upon filing such articles, the secretary of state will return the original to the state bank and will also issue a certificate to the state bank indicating the date the filing was effective. Thereafter, the state bank will operate in accordance with its renewed, amended or restated articles of incorporation.

This rule is intended to implement Iowa Code sections 524.314, 524.1505, 524.1508, and 524.1509.