

MAR 16 1995

COMMERCE - REGULATION

HOUSE FILE 446
BY HOLVECK

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the rights of dissenting shareholders under a
2 plan of merger involving a state bank.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 446

1 Section 1. Section 524.1402, subsection 1, paragraph c,
2 Code 1995, is amended to read as follows:

3 c. The manner and basis of the converting of shares of
4 each bank into shares, obligations, or other securities of the
5 resulting bank or of any other corporation, or, in whole or in
6 part, into cash or other property. If the plan provides that
7 the shares of each bank are to be converted, in whole or in
8 part, into cash or other property, the plan shall provide an
9 option for converting such shares into shares, obligations, or
10 other securities of the resulting bank or of any other
11 corporation and that the manner in which the shares are to be
12 converted under the plan shall be at the option of the
13 shareholder.

14 EXPLANATION

15 This bill amends section 524.1402, subsection 1, and
16 provides that if a plan of merger involving a state bank
17 provides that the shares of each bank are to be converted, in
18 whole or in part, into cash or other property, the plan must
19 provide an option for converting such shares into shares,
20 obligations, or other securities of the resulting bank or of
21 any other corporation and that the manner in which the shares
22 are to be converted under the plan is to be at the option of
23 the shareholder.

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