



Ohio Revised Code Section 1116.09 Membership rights.

Effective: January 1, 2018

Legislation: House Bill 49 - 132nd General Assembly

(A) A mutual holding company shall do all of the following:

(1) Confer upon existing and future depositors of the resulting stock state bank the same membership rights in the mutual holding company as were conferred upon depositors by the articles of incorporation or code of regulations of the reorganizing mutual state bank in effect immediately prior to the reorganization;

(2) Confer upon existing and future depositors of any acquiree mutual bank or any bank that is in the mutual form when acquired by the mutual holding company, the same membership rights in the mutual holding company as were conferred upon depositors by the articles of incorporation or code of regulations of the acquired mutual bank in effect immediately prior to the acquisition, provided that if the acquired mutual bank is merged into another subsidiary state bank from which the mutual holding company draws members, the depositors of the acquired mutual bank shall receive the same membership rights as the depositors of the subsidiary state bank into which the acquired mutual bank is merged;

(3) Confer upon the borrowers of the resulting stock state bank who are borrowers at the time of reorganization the same membership rights in the mutual holding company as were conferred upon them by the articles of incorporation or code of regulations of the reorganizing mutual state bank in effect immediately prior to the reorganization, but not any membership rights in connection with any borrowings made after the reorganization;

(4) Confer upon the borrowers of any acquiree mutual bank or any bank that is in the mutual form when acquired by the mutual holding company who are borrowers at the time of the acquisition, the same membership rights in the mutual holding company as were conferred on them by the articles of incorporation or code of regulations of the acquired mutual bank in effect immediately prior to the acquisition, but not any membership rights in connection with any borrowings made after the acquisition; provided, however, that if the acquired mutual bank is merged into another bank from



which the mutual holding company draws members, the borrowers of the acquired mutual bank shall instead receive the same grandfathered membership rights as the borrowers of the subsidiary state bank into which the acquired mutual bank is merged.

(B) A mutual holding company that acquires a bank in the stock form, other than a resulting stock state bank or an acquiree mutual bank, shall not confer any membership rights upon the depositors and borrowers of the stock bank, unless such stock bank is merged into a subsidiary stock state bank from which the mutual holding company draws its members, in which case the depositors of the stock bank shall receive the same membership rights as other depositors of the subsidiary stock state bank into which the stock bank is merged.