

Section 6. Preemptive rights. Holders of the capital stock of the MHC subsidiary holding company shall not be entitled to preemptive rights with respect to any shares of the MHC subsidiary holding company which may be issued.

Section 7. Directors. The MHC subsidiary holding company shall be under the direction of a board of directors. The authorized number of directors, as stated in the MHC subsidiary holding company's bylaws, shall not be fewer than five nor more than fifteen except when a greater or lesser number is approved by the Director of the Office, or his or her delegate.

Section 8. Amendment of charter. Except as provided in Section 5, no amendment, addition, alteration, change or repeal of this charter shall be made, unless such is proposed by the board of directors of the MHC subsidiary holding company, approved by the shareholders by a majority of the votes eligible to be cast at a legal meeting, unless a higher vote is otherwise required, and approved or preapproved by the Office.

Attest: _____
Secretary of the Subsidiary Holding Company

By: _____
President or Chief Executive Officer of the Subsidiary Holding Company

Attest: _____
Secretary of the Office of Thrift Supervision

By: _____
Director of the Office of Thrift Supervision

Effective Date: _____

(2) *Charter amendments.* The rules and regulations set forth in §552.4 of this chapter regarding charter amendments and reissuances of charters (including delegations and filing instructions) shall be applicable to subsidiary holding companies to the same extent as if the subsidiary holding companies were Federal stock savings associations, except that, with respect to the pre-approved charter amendments set forth in §552.4 of this chapter, the reference to home office in §552.4(b)(2) of this chapter shall be deemed to refer to the domicile of the subsidiary holding company and the requirements of §545.95 of this chapter shall not apply to subsidiary holding companies.

(3) *Bylaws.* The rules and regulations set forth in §552.5 of this chapter regarding bylaws (including their content, any amendments thereto, delegations, and filing instructions) shall be applicable to subsidiary holding companies to the same extent as if subsidiary holding companies were federal

stock savings associations. The model bylaws for Federal stock savings associations set forth in the OTS Applications Processing Handbook shall also serve as the model bylaws for subsidiary holding companies, except that the term "association" each time it appears therein shall be replaced with the term "Subsidiary Holding Company."

(4) *Annual reports and books and records.* The rules and regulations set forth in §§552.10 and 552.11 of this chapter regarding annual reports to stockholders and maintaining books and records shall be applicable to subsidiary holding companies to the same extent as if subsidiary holding companies were Federal stock savings associations.

[63 FR 11366, Mar. 9, 1998]

PART 583—DEFINITIONS

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AUTHORITY: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 1468.

SOURCE: 54 FR 49707, Nov. 30, 1989, unless otherwise noted.

§ 583.1 Acquire.

The term *acquire* means to acquire, directly or indirectly, ownership or control through an acquisition of shares, an acquisition of assets or assumption of liabilities, a merger or

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consolidation, or any similar transaction.

§ 583.2 Affiliate.

The term *affiliate* of a specified savings association means any person or company which controls, is controlled by, or is under common control with, such savings association.

§ 583.3 Bank.

The term *bank* means any national bank, state bank, state-chartered savings bank, cooperative bank, or industrial bank, the deposits of which are insured by the Bank Insurance Fund and also includes any institution that converted from a savings association charter to a bank charter and whose deposits are insured by the Savings Association Insurance Fund.

§ 583.4 Bank holding company.

The term *bank holding company* means any company which has control over any bank or over any company that is or becomes a bank holding company.

§ 583.5 BIF.

The term *BIF* means the Bank Insurance Fund, established by the Federal Deposit Insurance Act (12 U.S.C. 1811 *et seq.*).

§ 583.6 Company.

The term *company* means any corporation, partnership, trust, joint-stock company, or similar organization, but does not include:

- (a) The Federal Deposit Insurance Corporation,
- (b) The Resolution Trust Corporation,
- (c) Any Federal Home Loan Bank,
- (d) The Office of Thrift Supervision, or
- (e) Any company the majority of the shares of which is owned by
 - (1) The United States or any State,
 - (2) An officer of the United States or any State in his or her official capacity, or
 - (3) An instrumentality of the United States or any State.

§ 583.7 Control.

For purposes of this chapter, a person shall be deemed to have *control* of:

(a) A savings association if the person directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than 25 percent of the voting shares of such savings association, or controls in any manner the election of a majority of the directors of such association;

(b) Any other company if the person directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than 25 percent of the voting shares or rights of such other company, or controls in any manner the election or appointment of a majority of the directors or trustees of such other company, or is a general partner in or has contributed more than 25 percent of the capital of such other company;

(c) A trust if the person is a trustee thereof; or

(d) A savings association or any other company if the Office determines, after reasonable notice and opportunity for hearing, that such person directly or indirectly exercises a controlling influence over the management or policies of such association or other company.

§ 583.8 Corporation.

The term *Corporation* means the Federal Deposit Insurance Corporation.

§ 583.9 Director.

The term *director* as used in any document specified in part 584 of this chapter means any director of a corporation or any individual who performs similar functions in respect of any company, including a trustee under a trust.

§ 583.11 Diversified savings and loan holding company.

The term *diversified savings and loan holding company* means any savings and loan holding company whose subsidiary savings association and related activities, as specified in 12 U.S.C. 1467a(c)(2), represented on either an actual or *pro forma* basis, less than 50 percent of its consolidated net worth at the close of