



LAW OFFICES OF BURTON L. RAIMI, P.A.

8499 South Tamiami Trail • Suite 266 • Sarasota, Florida 34238 • (941) 927-1603 • (941) 927-1703 (fax)

MERGERS AND ACQUISITIONS

Interstate Banking - As of March 1996

1. Riegle-Neal Interstate Banking and Branching Act of 1994 - Three parts
 - a. Interstate banking - already in place - permits out of state banks to acquire Florida banks if in existence for 2 years
 - b. Affiliate or "Accommodation" Banking - effective 9/29/95
 - i. Bank subsidiaries in multiple states of same holding company are able to receive deposits, renew time deposits, close loans, service loans and receive payments on loans on behalf of their affiliates (list does not include check cashing or loan renewals, but national banks are already permitted to do so under Comptroller of the Currency interpretations - however, may not open new accounts, evaluate or approve loan applications or disburse loan proceeds).
 - ii. 10 states have granted state banks authority to act as agents for affiliated and unaffiliated banks
 - iii. 13 states allow banks to act as agent for broader range of activities
 - c. Interstate branching - effective 6/1/97
 - i. Adequately capitalized and adequately managed national and state chartered banks will be permitted to branch interstate - but only by merging with out of state banks
 1. Before trigger date, states may opt-in or opt-out of interstate branching
 2. Florida opted in but no de novo branching - may branch only through acquisition of existing bank
 3. Status of other states as of seminar date - March 1996

- a. 23 states have acted to opt in, only Texas has opted out
 - i. 10 have no branch age requirement (de novo branching)
 - ii. 12 have a 5 year requirement
 - iii. Oregon has a 3 year requirement
 - b. Another option to be addressed - allow interstate branching by acquisition of entire bank - or by acquisition of only one or more branches
2. Trust Powers of National Bank - Letter from Comptroller of the Currency to Bank One - states that a national bank with trust powers may exercise those powers interstate without regard to the location of its home office - whether or not the national bank currently has offices in that state