

INTERPRETIVE LETTER 91-28 (OCTOBER 28, 1991)

Out-of-state bank holding company approved to acquire shares of Illinois bank need not reapply for approval to acquire additional shares.

This is in response to your letter of * regarding the proposed acquisition of BHC1 by BHC2. On *, the Commissioner of Banks and Trust Companies approved BHC2's application to acquire 20.32% of * National Bank under Section 3.071 of the Illinois Bank Holding Company Act ("Act"), Ill. Rev. Stat. ch. 17, par. 2510.01 (1989). Subsequent to this acquisition, BHC1 was formed through an exchange of shares, and BHC1 became the sole shareholder of * National Bank.

A number of shareholders of BHC1 have offered to sell their shares to BHC2. BHC2 has agreed to purchase these shares and is making a tender offer to the remaining shareholders for their stock. You have asked whether it is necessary for BHC2 to file another interstate application under Section 3.071 of the Act to acquire the remaining shares of BHC1.

Section 3.071 of the Act requires the Commissioner to approve the acquisition by an out of state bank holding company of more than 5% of the voting shares of or control of an Illinois bank or an Illinois bank holding company. Because BHC2 filed an application in * to acquire 20.32% of * National Bank, and the Commissioner determined that BHC2 met the conditions necessary for approval, it is not necessary to file another application under Section 3.071 of the Act in order to acquire the remaining shares of BHC1 by virtue of a tender offer. However, since * National Bank is subject to regulation by the Office of the Comptroller of the Currency, you may wish to contact them to determine if their approval is necessary.