

INTERPRETIVE LETTER 92-6 (MAY 19, 1992)

Solicitation and receipt of revocable written proxies do not constitute a change of control.

This is in reply to your letter dated *, concerning the solicitation and receipt of written proxies by three minority shareholders of * BHC. * BHC is a bank holding company owning or controlling Bank1 and Bank2. The minority shareholders, having received written proxies from other shareholders, intend to vote their own shares along with the written proxies to elect new directors at the annual meeting of * BHC. The issue is whether the solicitation and receipt of the proxies constitute a change in control of * BHC under Section 18 of the Illinois Banking Act ("Act"), Ill. Rev. Stat. ch. 17, par. 325 (1991).

This Agency will not require the minority shareholders to file an application pursuant to Section 18 under the circumstances described in your letter. The solicitation and receipt of revocable written proxies do not constitute a change in control under the Act unless the voting control over the stock is delegated to the proxy holder for an unlimited or unreasonable duration. A customary proxy solicitation does not represent the change in ownership or change in voting control that is contemplated in Section 18.

Because * BHC is subject to regulation and supervision by the Federal Reserve, you should contact the Federal Reserve Bank of * to determine whether the circumstances described in your letter would require any applications to or approvals from the federal regulator.