

286.3-173 Conversion of state bank to or merger with national banking association.

- (1) A state bank may convert into, or merge or consolidate with, a national banking association under the charter of a national banking association in the manner provided by federal law and without approval of any state authority.
- (2) The franchise of a state bank as a state bank shall automatically terminate when its conversion into or its merger or consolidation with a national banking association under a federal charter is consummated and the resulting national banking association shall be considered the same business and corporate entity as the state bank, although as to rights, powers and duties the resulting bank is a national banking association.
- (3) At the time when such conversion, merger or consolidation becomes effective:
 - (a) All of the property, rights, powers and franchises of the state bank shall vest in the national banking association and the national banking association shall be subject to and be deemed to have assumed all of the debts, liabilities, obligations and duties of the state bank and to have succeeded to all of its relationships, fiduciary or otherwise, as fully and to the same extent as if such property, rights, powers, franchises, debts, liabilities, obligations, duties and relationships had been originally acquired, incurred or entered into by the national banking association;
 - (b) Any reference to the state bank in any contract, will or document, whether executed or taking effect before or after the conversion, merger or consolidation, shall be considered a reference to the national banking association if not inconsistent with the other provisions of the contract, will or document;
 - (c) A pending action or other judicial proceeding to which the state bank is a party, shall not be deemed to have abated or to have discontinued by reason of the conversion, merger or consolidation, but may be prosecuted to final judgment, order or decree in the same manner as if the conversion, merger or consolidation had not been made; or the national banking association may be substituted as a party to such action or proceeding, and any judgment, order or decree may be rendered for or against it that might have been rendered for or against the state bank if the conversion, merger or consolidation had not occurred.

Effective: March 21, 1952

History: Created 1952 Ky. Acts ch. 222, sec. 3, effective March 21, 1952.

Formerly codified as KRS 287.173.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.