**Section 1075.1235 Stock Subsidiary Formation**

In conjunction with the formation of a resulting savings bank of a mutual holding company, the requirements of Article 3, Incorporation and Organization, of the Act shall apply with the following additions.

a) In the case of a change of corporate form, which does not alter the assets and liabilities of the reorganizing savings bank, or any acquiree savings bank, as transferred to the resulting savings bank with regard to their amount or quality, the "minimum initial capital...which would be required to obtain insurance of accounts by the Federal Deposit Insurance Corporation" shall mean the amount of minimum capital which the reorganizing savings bank, or any acquiree savings bank, was required to have to maintain its federal insurance of accounts.

b) The application to organize shall be made by the organization directors of the reorganizing savings bank. Copies of organization directors' and officers' affidavits and statements of personal interest from the last 5 years' examination reports may be submitted to the Director to the extent that they provide business and financial information on affiliations with any other financial institutions. Each applicant shall submit amendments to these materials to provide omitted, but required, information.

c) Exhibits and maps shall display the original and new savings bank's customer area, and provide quarterly Federal and/or State reports for the four quarters preceding application, as well as the reorganizing savings bank's last 2 audited financial statements.

d) The Director may require information as to:

1) how stock shall be distributed. Such reports shall be required upon formation of the holding company, before issuance or marketing of stock and at any other time necessary to ensure fundamental fairness to stockholders, members, depositors and for reasons related to the safe and sound financial operation of any resulting savings bank, acquiree savings bank, or pre-existing depository institution;

2) the form and manner of expressing ownership; and

3) the amount of treasury stock that shall be held and any planned issuances of capital stock or equity securities, with projected dates and amounts.

e) Once the resulting savings bank is formed, if the reorganizing savings bank no longer retains any deposits, it shall no longer be required to maintain insurance of accounts.

(Source: Amended at 30 Ill. Reg. 19068, effective December 1, 2006)