



STATE OF ALABAMA STATE BANKING DEPARTMENT



OUTLINE FOR CONVERSION FROM A NATIONAL TO A STATE-CHARTERED BANK

The following is an outline of the procedure for the conversion of a national bank to an Alabama state-chartered bank pursuant to Alabama law. The conversion procedure also involves compliance with various federal laws and regulations. This outline is not intended as an exhaustive treatment of the procedure and only is intended to assist those involved with the process. See Ala. Code (1975), § 5-7A-20, et. seq.

1. Call the Department and schedule a pre-organization meeting between the Superintendent and the bank's representatives. This must be completed before an application is submitted.
2. Submission of completed application along with the filing fee as prescribed by the Banking Board. See Ala. Code (1975), § 5-5A-13.
3. Submission of the articles of incorporation and organization certificate executed by a majority of the directors of the bank for the Department's approval. See Ala. Code (1975), § 5-7A-21.
 - a. The articles of incorporation and organization certificates must be executed by a majority of the directors of the bank and the certificate shall declare that the owners of a majority of the capital stock have authorized the directors to make such certificate and to exchange or convert the national bank into a state bank.
 - b. Before the issuing of such certificate by the superintendent a majority of the directors of such bank shall file in the office of the official or officials with which a certificate of incorporation would be filed under the business corporation laws of this state a declaration of incorporation, which shall show:
 - (1) The name to be assumed and used by the corporation pursuant to Ala. Code, § 10-2B-4.02;
 - (2) The objects of the corporation, among which shall be the conversion of a national bank with the name and description of the same, into a state bank with all the power and authority that may be exercised by a state bank;
 - (3) The location of its principal office;

- (4) The amount of its total authorized capital and the amount of its paid-in capital;
- (5) The name and post-office address of each officer and director;
- (6) The time limit, if any, for the duration of the corporation; and
- (7) A certificate, acknowledged before a notary public by a majority of the directors of the national bank so converted, that there has been transferred by the national bank, by a vote of the stockholders owning not less than a majority of the capital stock of such national bank, to such state bank into which it is converted, all the property and assets of said national bank. Ala. Code (1975), § 5-7A-23.

- 4. Upon satisfactory completion of an investigation, the Superintendent will issue a certificate to the incorporators authorizing them or their agent or representative to file the proposed articles of incorporation with the appropriate official, and authorizing the official to accept and file the proposed articles of incorporation.
 - a. The Superintendent will return the proposed articles of incorporation together with his certificate of approval to the incorporators or their designated agent or representative.
 - b. The Superintendent will retain on file at the State Banking Department a duplicate of the certificate made by him and a copy of the proposed articles of incorporation and any other documents that have been submitted.
- 5. A no objection letter shall be obtained from this office concerning the use of the word “Bank” and in the name reserved with the Secretary of State’s office. A check in the amount \$100 payable to the Alabama Banking Department shall be sent with a letter seeking no objection for the name. The answer shall be copied directly to the Secretary of State’s office.
- 6. File with the official or officials designated by the business corporation laws, the certificate from the Secretary of State reserving the name of the proposed corporation, the articles of incorporation, and the certificate of the Superintendent authorizing the filing of the proposed articles of incorporation. See Ala. Code (1975), §§ 5-5A-6, 5-5A-7, 10-2B-1.20, and 10-2B-1.25.
 - a. The official will endorse on the articles of incorporation and on each of the copies the word “filed” and the hour, day, month and year of the filing.
 - b. The official will file the articles of incorporation in his office and certify the copies.
 - c. Submit to the Superintendent a certified copy of the executed and recorded articles of incorporation which should reflect the fact of recordation.

7. Upon completion of all of the above requisites, the Superintendent will file and record the original permit to engage in banking business in a book kept by him for that purpose.
8. The Superintendent will transmit a certified copy of the permit to the bank. No bank shall engage in the banking business until it has received the permit to transact a banking business.
9. File the certified copy of the permit to transact business as a bank with the official with whom the articles of incorporation were filed.