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AN ACT relating to thrift companies; prohibiting a person from acquiring control of a thrift company unless the person is engaged only in the activities permitted for a financial holding company pursuant to federal law or under certain circumstances is a credit union; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 677 of NRS is hereby amended by adding thereto a new section to read as follows:

***1. Notwithstanding any other provision of this article, except for those persons that filed with the commissioner of financial institutions an application for authority to engage in the business of a thrift company in accordance with NRS Chapter 677 prior to December 31, 2002, and for those persons who control thrift companies as of December 31, 2002, no person may directly or indirectly, including through purchase, merger, consolidation or any other type of business combination or application for authority to engage in the business of a thrift company in accordance with NRS Chapter 677, acquire control of a thrift company, as defined in NRS Chapter 677 unless person is:***

- (a) Engaged only in the activities permitted for a financial holding company set forth in 12 U.S.C. § 1843(k)(1); or
- (b) A credit union, if the thrift company is an entity in which the credit union may invest money pursuant to subsection 5 of NRS 678.760.

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**2. Nothing in this section shall be construed to exempt a person seeking to acquire control of a bank that otherwise qualifies to do so pursuant to this section, from the requirements of Chapter 677 of the NRS, inclusive.**

3.. As used in this section:

1-11 (a) "Acquire" includes:

(1) The purchase of an existing thrift company;<sup>2-1</sup>

2-2 (2) The merger, consolidation or other form of business combination with an existing thrift company; and

2-3 (3) The establishment of a new thrift company.

2-4 (b) "Control" means the power, directly or indirectly to:

2-5 (1) Direct or exercise a controlling influence over the  
2-6 management or policies of a thrift company or the election of a

2-7 majority of the directors or trustees of a thrift company; or

2-8 (2) Vote:

2-9 (I) Twenty percent or more of any class of voting  
2-10 securities of a thrift company if exercised by a natural person; or

2-11 (II) More than 10 percent of any class of voting  
2-12 securities of a thrift company if exercised by a person other than a

2-13 natural person.

2-14 (c) "Credit union" has the meaning ascribed to it in  
2-15 NRS 678.070.

2-16 (d) "Person" includes a subsidiary, parent or holding company

2-17 of the person.

2-18 Sec. 2. This act becomes effective upon passage and approval.