
ASSEMBLY BILL NO. 389—ASSEMBLYMEN CLABORN,
OHRENSCHALL, PIERCE, KOIVISTO, PARKS, ANDERSON,
ATKINSON, BUCKLEY, CARPENTER, CHOWNING,
CHRISTENSEN, CONKLIN, GOLDWATER, LESLIE, MANENDO,
MCCLAIN, MCCLEARY, MORTENSON AND SHERER

MARCH 17, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Prohibits control of thrift companies by certain persons. (BDR 56-1099)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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:

- 1 **Section 1.** Chapter 677 of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 ***1. A person shall not acquire control of a thrift company***
4 ***unless the person is:***
5 ***(a) Engaged only in the activities permitted for a financial***
6 ***holding company set forth in 12 U.S.C. § 1843(k)(1); or***
7 ***(b) A credit union, if the thrift company is an entity in which***
8 ***the credit union may invest money pursuant to subsection 5 of***
9 ***NRS 678.760.***
10 **2. As used in this section:**
11 ***(a) “Acquire” includes:***
12 ***(1) The purchase of an existing thrift company;***



- 1 (2) *The merger, consolidation or other form of business*
- 2 *combination with an existing thrift company; and*
- 3 (3) *The establishment of a new thrift company.*
- 4 (b) *“Control” means the power, directly or indirectly to:*
- 5 (1) *Direct or exercise a controlling influence over the*
- 6 *management or policies of a thrift company or the election of a*
- 7 *majority of the directors or trustees of a thrift company; or*
- 8 (2) *Vote:*
- 9 (I) *Twenty percent or more of any class of voting*
- 10 *securities of a thrift company if exercised by a natural person; or*
- 11 (II) *More than 10 percent of any class of voting*
- 12 *securities of a thrift company if exercised by a person other than a*
- 13 *natural person.*
- 14 (c) *“Credit union” has the meaning ascribed to it in*
- 15 *NRS 678.070.*
- 16 (d) *“Person” includes a subsidiary, parent or holding company*
- 17 *of the person.*
- 18 **Sec. 2.** This act becomes effective upon passage and approval.

