

State of California

FINANCIAL CODE

Section 4848

4848. The agreement of sale shall be approved by the seller and purchaser, as follows:

(a) In the case of a California state depository corporation:

(1) If the sale constitutes a reorganization, as defined in Section 181 of the Corporations Code, the agreement of sale shall be approved as required by Chapter 12 (commencing with Section 1200) of Division 1 of Title 1 of the Corporations Code.

(2) If the sale does not constitute a reorganization, as defined in Section 181 of the Corporations Code, and if the California state depository corporation is the seller, the agreement of sale shall be approved by the board of the seller, and the principal terms of the agreement of sale shall be approved by the outstanding shares of the seller.

(3) If the sale does not constitute a reorganization, as defined in Section 181 of the Corporations Code, and if the California state depository corporation is the purchaser:

(A) If, as of the time when the agreement of sale is made, the deposits, if any, of the business unit are less than 10 percent of the total deposits of the purchaser and the fiduciary assets, if any, of the business unit are less than 10 percent of the total fiduciary assets of the purchaser, the agreement of sale shall be approved by the board of the purchaser.

(B) Otherwise, the agreement of sale shall be approved by the board of the purchaser, and the principal terms of the agreement of sale shall be approved by the outstanding shares of the purchaser.

(4) For purposes of paragraph (3):

(A) The amount of deposits shall be determined as of the end of the calendar quarter immediately preceding the making of the agreement of sale.

(B) The value of fiduciary assets shall be the net carrying value, as determined in conformity with generally accepted accounting principles, as of the end of the calendar quarter immediately preceding the making of the agreement of sale.

(b) In the case of a depository corporation other than a California state depository corporation, the agreement of sale shall be approved as required by the law of the depository corporation's domicile.

(Amended by Stats. 1995, Ch. 480, Sec. 133. Effective October 2, 1995.)