

## **Reverse Stock Split Application**

### **General Information and Instructions**

#### **Preparation and Use**

This application is used to effect a transaction under 12 CFR 5.45 (federal savings associations) and 12 CFR 5.46 (national banks) (collectively, banks) for a change in permanent capital to reflect a reverse stock split, as authorized by the corporate governance provisions under 12 CFR 7.2000(b) for national banks and 12 CFR 152.3 for federal savings associations. Banks are not required to submit a separate filing if the reverse stock split results in a reduction in capital.

All questions must be answered with complete and accurate information that is subject to verification. If the answer is “none,” “not applicable,” or “unknown,” so state. Answers of “unknown” should be explained.

The questions in the application are not intended to limit the applicant’s presentation nor are the questions intended to duplicate information supplied on another form or in an exhibit. For such information, a cross-reference to the information is acceptable. Any cross-reference must be made to a specific citation or location in the documents, so the information can be found easily. Supporting information for all relevant factors, setting forth the basis for the applicant’s conclusions, should accompany the application. The regulatory agency may request additional information.

This application form collects information that the Office of the Comptroller of the Currency (OCC) will need to evaluate a reverse stock split application. The OCC must consider the applicable statutory requirements set forth above, as well as applicable regulatory requirements, when acting on this application. For additional information regarding these statutory and regulatory requirements, as well as processing procedures and guidelines and any supplemental information that may be required, refer to the OCC’s procedural guidelines in the *Comptroller’s Licensing Manual*. The applicant may contact the OCC directly for specific instruction or visit the OCC’s Web site at [www.occ.gov](http://www.occ.gov).

#### **Notice of Publication**

Generally, public notice under 12 CFR 5.8 does not apply to a reverse stock split, unless the OCC determines that the application presents a significant or novel policy, supervisory, or legal issue where a public notice is considered necessary. A public notice also may be required where a reverse stock split application is accompanied by a second application that requires a publication notice under 12 CFR 5.8. In this instance, a public notice describing the entire transaction may be necessary to ensure the public has a full understanding of the entire transaction.

If a notice is required, the applicant must publish notice of the proposed reverse stock split in a newspaper of general circulation in the community or communities in which the applicant proposes to engage in business. The OCC will provide specific requirements for the notice of publication.

### **Submission**

In addition to an original application and the appropriate number of signed copies, submit an electronic copy of the information in the application, especially of the business plan's financial projections, if applicable. For e-mail submissions, contact the OCC for instructions and information about secure transmission of confidential material.

### **Confidentiality**

Any applicant desiring confidential treatment of specific portions of the application must submit a request in writing with the application. The request must discuss the justification for the requested treatment. The applicant's reasons for requesting confidentiality should specifically demonstrate the harm (for example, loss of competitive position, invasion of privacy) that would result from public release of information (5 USC 552 or relevant state law). Information for which confidential treatment is requested should be (1) specifically identified in the public portion of the application (by reference to the confidential section); (2) separately bound; and (3) labeled "Confidential." The applicant should follow the same procedure when requesting confidential treatment for the subsequent filing of supplemental information to the application. Contact the OCC for any further questions regarding requests for confidential treatment.

## Reverse Stock Split Application

### Applicant

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Name

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Current street address

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City

State

Zip code

### Parent Company Identifying Information (if applicable)

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Name

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Street

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City

State

Zip code

### Contact Person

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Name

Title

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Employer

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Street

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City

State

Zip code

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Telephone no.

Fax no.

E-mail address

### Overview

1. Did the bank adopt a corporate governance structure that was previously reviewed by the OCC?

Yes  No

If no, describe the corporate governance structure and provide a legal analysis describing the source of authority for the reverse stock split.

2. Describe the corporate purpose for undertaking the reverse stock split. Refer to 12 CFR 7.2023 for a list of corporate purposes. If the bank identifies a corporate purpose not described in 12 CFR 7.2023, discuss the reason for that choice.

3. Does the bank certify that the corporate governance procedures provide shareholders with dissenters' rights that contain, at a minimum, the following elements:

a. Advance notice of dissenters' rights to shareholders before the shareholder meeting.

Yes  No

b. An independent third-party appraisal of the shares if the bank and any dissenting shareholders are unable to agree on the value of the dissenting shares.

Yes  No

c. Payment by the bank of the cost of appraising dissenting shares. *(The bank, however, need not pay the cost of other expenses of the appraisal proceeding, for example, attorney's fees of dissenting shareholders, unless required by state law or the appropriate court.)*

Yes  No

d. Binding arbitration by an independent third party, to be paid for by the bank, if the court that would ordinarily hear an appraisal action under the corporate governance procedures refuses jurisdiction to appraise the shares of a national bank. *(Conduct of the arbitration must be consistent with the rules and procedures of the American Arbitration Association or another organization with expertise in alternative dispute resolution.)*

Yes  No

4. Describe the method used to establish a price.

5. Does the bank certify that it will comply with the limitation on the par value of a national bank's common stock (12 USC 52)?

Yes  No

If no, discuss why.

6. Did the bank determine the price to be paid to minority shareholders for fractional shares under 12 CFR 5.67? Provide detailed analysis.

Yes  No

If no, when will the bank determine and by what method?

7. Did the bank obtain the two-thirds' shareholder approval of the reduction in capital (retirement of capital stock, acquisition of treasury stock) as required by 12 USC 59?

Yes  No

If yes, has the par value of the stock been amended?

Yes  No

If yes, include a copy of the Articles of Association.

If no, when will the shareholder vote occur?

8. Include pro forma analysis of the change on the equity accounts and capital ratios.

9. Is the bank currently subject to a capital plan filed with the OCC?

Yes  No

10. Has the capital plan been approved by the OCC?

Yes  No

If yes, does the capital plan allow for a reverse stock split?

Yes  No

Desired action date: mm/dd/yyyy

**NOTE: Discuss and confirm any change in the bank's capital category and the legal lending limit with your supervisory office.**

## OCC CERTIFICATION

In connection with the proposed reverse stock split, the bank certifies that:

The proposed reverse stock split is consistent with law, regulations, and OCC policy.

The proposed reverse stock split provides an adequate capital structure.

If appropriate, the proposed reverse stock split complies with the bank's capital plan.

**I certify that the bank's board of directors, shareholders, or a designated official has authorized the filing of this application.** I certify that the information contained in this application has been examined carefully and is true, correct, complete and current as of the date of this submission. Additionally, I agree to notify the OCC if the facts described in the filing materially change prior to receiving a decision or at any time prior to consummation of the action contemplated herein.

I acknowledge that any misrepresentation or omission of a material fact with respect to this application, any attachments to it, and any other documents or information provided in connection with this application may be grounds for denial of the application or revocation of its approval, and may subject the undersigned to legal sanctions, including the criminal sanctions provided for in Title 18 of the United States Code.

I acknowledge that the approval of this application is in the discretion of the OCC. The activities and communications by OCC employees in connection with the filing, including approval of the application if granted, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. I further acknowledge that the foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

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President or other authorized officer

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Typed name

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Title