

2023 Kansas Statutes

9-904. Reduction of capital stock, when. (a) With prior approval of the commissioner, a stock bank or trust company may reduce the amount of its capital stock account. No such reduction shall be approved unless the commissioner finds that:

(1) The proposed reduction is necessary to provide greater operational flexibility to an adequately capitalized, well-managed institution;

(2) the proposed reduction does not result in or is not in furtherance of a reduction in the institution's capital to an amount below the amount required by K.S.A. 9-901*, and amendments thereto;

(3) the proposed reduction is not intended to delay, prevent or be in lieu of capital stock impairment or a stockholder's assessment pursuant to K.S.A. 9-906, and amendments thereto;

(4) the proposed reduction poses no significant risk to the financial stability, safety or soundness of the institution;

(5) the bank's or trust company's surplus account will be increased in an amount equal to the amount of the proposed reduction in the capital stock account, unless a waiver is granted by the commissioner; and

(6) a resolution approving the reduction has been adopted by the stockholders representing 2/3 of the voting stock of the bank or trust company.

(b) Upon completion of the reduction, the stock bank or trust company shall file with the commissioner a list of its stockholders and the amount of stock held by each.

(c) Whenever the capital stock of any stock bank or trust company shall be reduced as herein provided, every stockholder, owner or holder of any stock certificate shall surrender the same for cancellation and shall be entitled to receive a new certificate for such person's proportion of the new stock. No dividends shall be paid to any such stockholder until the old certificate is surrendered.

History: L. 1947, ch. 102, § 17; L. 1989, ch. 48, § 18; L. 1996, ch. 175, § 12; L. 2001, ch. 87, § 2; L. 2015, ch. 38, § 35; L. 2016, ch. 54, § 18; L. 2018, ch. 75, § 13; July 1.