

**ALEC EXPOSED**

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

**ALEC's Corporate Board**  
—in recent past or present

- AT&T Services, Inc.
  - centerpoint360
  - UPS
  - Bayer Corporation
  - GlaxoSmithKline
  - Energy Future Holdings
  - Johnson & Johnson
  - Coca-Cola Company
  - PhRMA
  - Kraft Foods, Inc.
  - Coca-Cola Co.
  - Pfizer Inc.
  - Reed Elsevier, Inc.
  - DIAGEO
  - Peabody Energy
  - Intuit, Inc.
  - Koch Industries, Inc.
  - ExxonMobil
  - Verizon
  - Reynolds American Inc.
  - Wal-Mart Stores, Inc.
  - Salt River Project
  - Altria Client Services, Inc.
  - American Bail Coalition
  - State Farm Insurance
- For more on these corporations, search at [www.SourceWatch.org](http://www.SourceWatch.org).

**DID YOU KNOW?** Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

[Home](#) → [Model Legislation](#) → Commerce, Insurance, and Economic Development  
**Nationwide Interstate Banking Act**

**Summary**

The Nationwide Interstate Banking Act removes geographical barriers to bank expansion and permits reciprocal interstate banking. If passage of immediate nationwide interstate banking is not politically feasible in a particular state, this bill provides for an optional period of regional interstate banking with a trigger for nationwide interstate banking after an established period of time elapsed.

**Model Legislation**

{Title, enacting clause, etc.}

**Section 1.** This Act may be cited as the Nationwide Interstate Banking Act.

**Section 2.** As used in this Act:

(A) "In-state financial institutions" means a state or national bank, savings and loan association, or holding company with its home office in [insert name of state].

(B) "Out-of-state financial institution" means a state or national bank or savings and loan association with its home office in a state other than this state or holding company with its home office in a state other than this state.

(C) "Acquire" as applied to an in-state financial institution means any of the following actions or transactions:

(1) The merger or consolidation of an in-state financial institution with an out-of-state financial institution;

(2) The acquisition by an out-of-state financial institution of the direct or indirect ownership or control of voting shares of an in-state financial institution if, after the acquisition, the out-of-state financial institution will directly or indirectly own or control more than 15% of the outstanding voting shares of the acquired in-state financial institution

(3) The direct or indirect acquisition of all or substantially all of the assets of an in-state financial institution; or

(4) The taking of any other action that would result in the direct or indirect control of an in-state financial institution.

(D) "Control" means direct or indirect ownership of, or power to vote 15% or more of the outstanding voting shares of, an in-state financial institution, or to control in any manner the election of a majority of the directors of an in-state financial institution.

(E) "De novo entry" means a newly established bank or savings and loan association, that is not created through the acquisition of, or merger with, an in-state financial institution, and which is controlled through an out-of-state financial institution.

(F) "Superintendent" means the state official who is responsible for licensing banks or savings and loan associations in a state, as the case may be.

(G) "Filed with the Superintendent" means when the complete application including any amendment or supplements containing all the information in the form required by the Superintendent is received by the Superintendent.

**Section 3. {Approval of Superintendent.}**

(A) An out-of-state financial institution shall not acquire an in-state financial institution unless the Superintendent has approved the acquisition. Nothing in this Act shall be construed to prohibit a person from negotiating or entering into agreements subject to the condition that the acquisition will not be effective until approval of the Superintendent is obtained.

Did you know that global corporation Kraft Foods served as corporate co-chair in 2011?

(B) The acquiring financial institution shall submit to the Superintendent a written application for approval in the form the Superintendent prescribes. The acquiring financial institution shall accompany the application with such information, data and records as the Superintendent may require in order to make his determination. For this purpose the Superintendent shall adopt rules prescribing the form and the information, data, or records which he requires.

**Section 4. {Prohibition.}**

A bank or savings and loan association that applies to the (insert name of appropriate state regulatory agency) or an agency of the federal government from and after insert date) to operate as such in this state shall not be eligible for acquisition under Section 2 until five years from the date of application or until (insert date), whichever comes earlier.

**Section 5. {Authorization of acquisition.}** From and after the effective date of this Act:

(A) Any out-of-state bank holding company may acquire control of any in-state bank or bank holding company, if the state wherein the out-of-state bank holding company has its principal place of business shall authorize the acquisition of control of a bank or bank holding company in that state by a bank holding company which has its principal place of business in this state under conditions substantially no more restrictive than those imposed by this Act; and

(B) Any out-of-state savings and loan holding company may acquire control of any in-state savings and loan association or savings and loan holding company, if the state wherein the out-of-state savings and loan holding company has its principal place of business shall authorize the acquisition of control of a savings and loan association or savings and loan holding company under conditions substantially no more restrictive than those imposed by this Act.

**\*OPTIONAL SECTION**

*Insert in Place of Above Section 5*

**Section 5. {Allowing for a period of regional interstate banking prior to nationwide interstate.}**

(A) From and after the effective date of this Act:

(1) any bank holding company having its principal place of business in (insert applicable states) may acquire control of any in-state bank or bank holding company, if the state wherein the out-of-state bank holding company has its principal place of business shall authorize the acquisition of control of a bank or bank holding company in that state by a bank holding company which has its principal place of business in this state under conditions substantially no more restrictive than those imposed by this Act.

(2) Any savings and loan holding company having its principal place of business in (insert applicable states) may acquire control of any in-state savings and loan association or savings and loan holding company, if the state wherein the out-of-state savings and loan holding company has its principal place of business shall authorize the acquisition of control of a savings and loan association or savings and loan holding company in that state by a savings and loan holding company which has its principal place of business in this state under conditions substantially no more restrictive than those imposed by this Act.

**Section 6. {De Novo Entry}** From and after (insert date) an out-of-state financial institution may establish a bank, savings and loan association nor holding company in this state through de novo entry subject to the applicable laws of this state.

**Section 7. {Failure to act as approval}** The Superintendent shall rule on any application submitted under Section 2 not later than 60 days following the date the application is filed with the Superintendent. If the Superintendent fails to rule on the application within the required 60-day period, the failure to rule shall be deemed a final decision of the Superintendent approving the application.

**Section 8. {Grounds for denial}** The Superintendent shall deny an application for acquisition of an in-state financial institution if the Superintendent finds any of the following:

(A) The financial condition of the acquiring out-of-state financial institution is such that it may jeopardize the financial stability of the in-state financial institution or prejudice the interests of the depositors, beneficiaries, creditors or shareholders of the in-state financial institution;

(B) The financial condition of the acquiring out-of-state financial institution is such that it may jeopardize the financial stability of the in-state financial institution or prejudice the interests of the depositors, beneficiaries, creditors or shareholders of the in-state financial institution;

(C) Any plan or proposal to liquidate the in-state financial institution, to merge or consolidate the in-state financial institution or make any other major change in the business, corporate structure or management of the in-state financial

institution is not fair and reasonable to the depositors, beneficiaries, creditors or shareholders of the in-state financial institution;

(D) That the applicant has exhibited, or has acquired a reputation for, such lack of honesty or integrity as to indicate that it would not be in the interest of the depositors, beneficiaries, creditors or shareholders of the in-state financial institution or in the interest of the public, to permit such applicant to control the in-state financial institution;

(E) The applicant neglects, fails or refuses to furnish the Superintendent any information requested by the Superintendent; or

(F) The acquisition is contrary to law.

**Section 9. {Applicable laws and cooperative agreements.}**

(A) Any bank, savings and loan association or holding company doing business as such in this state is subject to the applicable laws of this state and all the rules adopted pursuant to such laws.

(B) The Superintendent may promulgate rules, including the imposition of reasonable application and examination fees, to implement and administer this Act.

(C) The Superintendent may enter into cooperative agreements with federal regulatory authorities for the examination of any acquired or de novo entry bank, savings and loan association or holding company and may accept reports of examination and other records from those authorities instead of conducting his own examinations. The Superintendent may enter into joint actions with other bank or savings and loan association regulatory authorities having concurrent jurisdiction over any acquired or de novo entry bank or savings and loan association, or may take such actions independently to carry out his responsibilities under this Act and to assure compliance with applicable laws of this state.

**Section 10. {Severability clause.}**

**Section 11. {Repealer clause.}**

**Section 12. {Effective date.}**

Were your laws repealed?

*1995 Sourcebook of American State Legislation*

**About Us and ALEC EXPOSED.** The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish [www.PRWatch.org](http://www.PRWatch.org), [www.SourceWatch.org](http://www.SourceWatch.org), and now [www.ALECexposed.org](http://www.ALECexposed.org). For more information contact: [editor@prwatch.org](mailto:editor@prwatch.org) or 608-260-9713.