

700 Corporation Law for State Banks and Trust Companies

709 Revocation of Charter for Failure to Commence Business Within a Reasonable Time

Formerly Regulation No.: 5.734.0011.P

Effective Date: April 1, 1991

1.0 Scope

- 1.1 This regulation applies to every Bank and Trust Company, or Limited Purpose Trust Company (hereinafter referred to as a "Bank") chartered under Chapter 7 of Title 5.
- 1.2 The purpose of this regulation is to prescribe the criteria to be applied by the State Bank Commissioner (the "Commissioner") in determining what constitutes a reasonable period of time within which a corporation created pursuant to Chapter 7 of Title 5 shall be actively engaged in the business for which it was created.

2.0 Reasonable Period of Time

- 2.1 Within a reasonable period of time, every corporation chartered under Chapter 7 of Title 5 shall be actively engaged in the business for which it was created. A reasonable period of time has elapsed at the expiration of one year as measured from the date of incorporation.
- 2.2 If the Commissioner initially determines that the planned completion date for the banking facility proposed in the application for a Bank will exceed one year, the Commissioner may approve an actual opening date that extends beyond one year.
- 2.3 The Commissioner may grant extensions for periods of six months in the even of unavoidable delay in opening due to construction problems or other events beyond the control of the Bank.