

## **NOTICE TO ISSUE PREFERRED STOCK**

Pursuant to K.S.A. 9-908 a bank or trust company may issue preferred stock with prior approval of the bank commissioner. The following information should be submitted with all requests:

1. The amount, par value, and dividend rate of the preferred stock to be issued. A summary of any material terms and restrictions applicable to the stock should also be provided, including whether or not the stock is voting or non-voting, cumulative or non-cumulative.
2. The offering price and proceeds to the bank or trust company on a per share and aggregate basis.
3. The cost of any solicitation, if applicable.
4. The reason for the offering and the purpose for which the proceeds are to be used.
5. Annual operating projections for the current calendar/fiscal year and for three subsequent years which reflect the costs of the preferred stock. Additionally, a year-end capital summary for each year should be included.
6. State whether any director, officer or stockholder will personally benefit from the transaction. If so, please describe.
7. A brief description of any material pending legal proceedings the bank or trust company may be involved in.
8. A legal opinion as to the required content and adequacy of disclosure material to be made available to proposed investors. A copy of the legal opinion and the proposed disclosure is to be included in the application.
9. A copy of a Resolution adopted by shareholders verifying that at least 2/3 of shareholders voted in favor of issuing the preferred stock.
10. A copy of the bank's or trust company's most recently completed daily statement and earnings report.

**9-908. Preferred stock.** (a) Upon the affirmative vote of 2/3 of the voting shares of the common stock of a bank or trust company, and with the prior approval of the commissioner, a bank or trust company may issue preferred stock of one or more classes. (b) No preferred stock shall be retired unless the common stock shall be increased in an amount equal to the amount of the preferred stock retired. All preferred stock shall be retired consistent with safety to the depositors.