



Bank Mergers and Acquisitions and Regulatory Applications

Chapman and Cutler's Bank Regulatory Group represents a variety of federal and state-chartered financial institutions including holding companies and banks, savings associations, finance companies, commercial lenders, mortgage companies, trust companies, and credit card banks.

The firm assists clients with the formation and chartering of de novo institutions, merger and acquisition transactions, the purchase and sale of assets/portfolios, and restructurings.

Our legal involvement includes interstate acquisitions, participation in due diligence, negotiation of definitive transaction documents, and preparation of closing documentation. We also file necessary applications for regulatory approvals and licensing with federal and state agencies in connection with merger and acquisition activity.

Chapman has obtained regulatory approvals for clients from the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and several state banking agencies. We have ongoing working relationships with the Illinois Department of Financial and Professional Regulation, Division of Banks and Real Estate, and the Division on Financial Institutions.

In connection with our practice, we work closely with clients to identify permissible financial and non-banking activities for business expansion and, when necessary, we regularly file appropriate regulatory notifications and obtain required approvals from federal and state regulators.

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Related Practices

Bank Regulatory Compliance/
Examination Activities
Bank Regulatory Matters
Bank Secrecy/USA Patriot
Act and OFAC
Banking and Financial
Services
Chartering of Financial
Institutions
Community Reinvestment Act
Compliance
Disclosure Requirements
(Federal/State)
Fair Lending and Equal Credit
Opportunity
General Compliance Activities
Non-Banking Activity
Approvals
Portfolio Acquisitions and
Sales
Privacy and Fair Credit
Reporting

Representative Transactions

State Licensing, Regulation
and Examination

- In March 2006, the firm represented First Midwest Bancorp, Inc. in connection with its \$307 million cash acquisition of Bank Calumet, Inc., Hammond, Indiana, including the procurement of all required regulatory approvals.
- In December 2005, the firm represented Bank of Montreal and Harris Bankcorp, Inc. in connection with their \$65.5 million cash acquisition of Edville Bankcorp, Inc., including the procurement of all required regulatory approvals.
- In August 2005, the firm represented Founders Group, Inc. in connection with its approximate \$9 million cash acquisition of Vermillion Bancorp, Inc.
- In July 2005, the firm represented First Busey Corporation in connection with its approximate \$40 million cash acquisition of Tarpon Coast Bancorp, Inc., Port Charlotte, Florida.
- In December 2004, the firm represented Bank of Montreal and Harris Bankcorp, Inc., obtaining all required regulatory approvals in the interstate acquisition of Mercantile Bancorp, Inc., Hammond, Indiana, a \$1 billion holding company, and its primary subsidiary, Mercantile National Bank of Indiana.
- In 2004, Chapman and Cutler LLP represented Bank of Montreal and Harris Bankcorp, Inc., obtaining all required regulatory approvals for the acquisition of New Lenox Holding Company and NLSB, a \$1 billion state bank.
- The firm represented First Midwest Bancorp, Inc. and obtained all required regulatory approvals for its acquisition of Covest Banc N.A. in December 2003.
- We represented South Holland Trust and Savings Bank in its acquisition by MB Financial, Inc. in 2003.
- In 2004, the firm represented Harris Bankcorp, Inc. in obtaining regulatory approvals for the merger of 25 state and national banks into one national bank and for the conversion of a state bank into a limited purpose cash management national bank.
- In 2003 and 2004, Chapman and Cutler represented Bank of Montreal and Harris Bankcorp, Inc. in the acquisition of Round Lake State Bank and its subsequent merger with and into Harris Trust and Savings Bank.
- Also in 2003 and 2004, Chapman represented Bank of Montreal and Harris Trust and Savings Bank in the sale of Harris Bank International

Corp., an Edge Act subsidiary.

- In 2004, the firm represented a major financial institution in the acquisition of a \$2 billion credit card portfolio.
- In 2004, the firm represented a major foreign bank and its U.S. subsidiaries in the acquisition of a major merchant and ATM processor.
- \$307 million acquisition by merger of a bank holding company by First Midwest Bancorp, Inc.
- \$65.5 million acquisition by merger of a bank holding company by Bank of Montreal and Harris Bankcorp, Inc.
- \$40 million (approximate) acquisition by merger of a bank holding company by First Busey Corporation.
- We helped a major bank establish two interim financial institutions utilized in the merger of state trust companies into a federally insured depository institution along with the conversion and merger of two state banks into the federal entity to establish a "private bank."
- Chapman and Cutler represented two major Canadian banks in the establishment of a U.S. joint venture for the processing of credit and debit cards by retail merchants and obtained associated regulatory approvals.
- The firm represented the seller in the sale of the credit card portfolio of a major regional bank and negotiated a long-term ongoing agent bank relationship with the purchaser.
- Chapman and Cutler represented the purchaser of a major regional bank in the acquisition of a state-chartered trust company.
- The firm represented the purchaser of a major regional bank in the acquisition of an investment/money manager.
- We obtained regulatory approvals for major foreign and U.S. banks in connection with merchant banking activities and other permissible financial and non-bank holding company and subsidiary activities including finder's activities, derivatives products (including oil and gas reserves), data processing, tax preparation, lending and servicing, brokerage, insurance, leasing, and hedging.
- The firm assisted two bank holding companies in establishing a joint venture with another company for credit card activities. We obtained regulatory approvals for the transaction, assisted in the chartering process for an associated financial institution, and structured the sale of \$2 billion of loan receivables to the joint venture along with contemporaneous financing of both the joint venture and securitization of the consumer credit card receivables.
- The firm has obtained licenses from state regulators for lenders, mortgage bankers, and brokers that allow them to conduct business such as making mortgage loans, small loans, or retail/vehicle installment sales under applicable state law.