

2018 Regular Session

SENATE BILL NO. 183

BY SENATOR MARTINY

FINANCIAL INSTITUTIONS. Provides relative to removal and prohibition authority of commissioner in response to certain officer or employee actions at financial institutions. (8/1/18)

1 AN ACT

2 To enact R.S. 6:121.9, relative to financial institutions; to provide for certain removal and
3 prohibition authority by the commissioner of financial institutions; to provide certain
4 terms, conditions, and procedures; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 6:121.9 is hereby enacted to read as follows:

7 **§121.9. Removal and prohibition authority**

8 **A. The commissioner may do any or all of the following if he finds that**
9 **a state-chartered financial institution officer, director, or employee has**
10 **demonstrated willful or continuing disregard for the safety and soundness of the**
11 **financial institution, or has engaged in conduct subject to the provisions of R.S.**
12 **6:1333(A):**

13 **(1) Suspension or removal of the person from the institution.**

14 **(2) Prohibition of the person from business participation in any other**
15 **state-chartered financial institution.**

16 **B. An action by the commissioner pursuant to this Section shall be issued**
17 **as provided in R.S. 6:132 and may be reviewed as provided in Part III of**

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Chapter 2 of this Title.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jerry G. Jones.

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Proposed law, relative to financial institutions, provides that the commissioner of financial institutions may do any or all of the following if he finds that a state-chartered financial institution officer, director, or employee has demonstrated willful or continuing disregard for the safety and soundness of the financial institution, or has engaged in conduct such as violation of law or regulations or breach of fiduciary or professional responsibilities:

- (1) Suspension or removal of the person from the institution.
- (2) Prohibition of the person from business participation in any other state-chartered financial institution.

Proposed law provides that such actions by the commissioner shall be issued and subject to review as provided in present law.

Effective August 1, 2018.

(Adds R.S. 6:121.9)