

Chapter 667 of NAC

LCB File No. E001-09

**EMERGENCY REGULATION OF THE
DIVISION OF FINANCIAL INSTITUTIONS OF
THE DEPARTMENT OF BUSINESS AND INDUSTRY**

(Effective for 120 days from February 23, 2009)

EMERGENCY REGULATION OF BANKS

Explanation: Material in *bold italics* is new material.

Purpose: To adopt regulations under chapter 667 of the Nevada Administrative Code relating to banks, clarifying the ability of the Commissioner to appoint the FDIC as receiver in cases where the Financial Institutions Division closes and takes possession of a bank.

General Authority: NRS 658.015, 658.105, 658.151 and 667.035

Section 1. Chapter 667 of the NAC is hereby set forth as section 2, inclusive, of this regulation.

Section 2. *As used in this NRS 667.035, the term "inability to meet the demands of its depositors" means that the bank is in imminent danger of becoming insolvent or that the Commissioner has taken possession for any reasons stated in NRS 658.151.*

NOTICE OF ADOPTION OF EMERGENCY REGULATION
LCB File No. E001-09

The Nevada Financial Institutions Division adopted temporary regulations assigned LCB File No. E001-09 which pertain to chapter 667 of the Nevada Administrative Code.

INFORMATIONAL STATEMENT

1. The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately, and each case must include:

(a) Both adverse and beneficial effects; and

The proposed emergency regulation (“regulation”) presents no reasonably foreseeable or anticipated adverse economic effects to businesses or to the general public. It is anticipated that the regulation will be beneficial in that it will assist the State, with respect to the ongoing crisis with financial institutions and facilitate the intervention of the Federal Deposit Insurance Corporation.

(b) Both immediate and long term effects.

Immediately, the regulation will have the beneficial effect of permitting the Financial Institutions Division to appoint the FDIC when the Division closes a financial institution insured by the FDIC. The immediate appointment of the FDIC would create a seamless transition between the failed bank and the new institution, without loss of confidence in the financial markets and availability of funds to its customers.

2. The estimated cost to the agency for enforcement of the adopted regulation:

The Division anticipates no additional cost to administer the regulation, because this regulation would only apply in cases where the Division is going to close the financial institution. This regulation would decrease the costs associated with that process.

3. A description of any regulations of other state or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or

overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

There are no known state or government agency regulations that the proposed regulation duplicates.

4. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

There are no known federal regulations that regulate the same activity.

5. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The Division is not aware of any provision in this regulation that provides for a new fee or increases an existing fee.

**FINANCIAL INSTITUTIONS DIVISION
STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY**

STATEMENT OF EMERGENCY

WHEREAS, Banks in the State of Nevada are governed by Title 55 of the Nevada Revised Statutes (NRS). The State of Nevada, Department of Business and Industry, Financial Institutions Division (hereinafter "Division") has primary jurisdiction for the licensing and regulation of persons operating and/or engaging in banking. See generally NRS 657.180, 658.105 and 658.185.

WHEREAS, the Commissioner finds that an emergency exists insofar as:

1. Banks in the State of Nevada are currently faced with an unprecedented economic environment and financial crisis that have made it unfeasible for some institutions to continue to operate in a safe and sound manner that protects the public interest.
2. Bank failures affect public confidence in financial institutions generally, and necessitates that the Federal Deposit Insurance Corporation (FDIC), as the federal agency responsible for insuring deposits, to immediately become the receiver of a closed bank to ensure an orderly and expeditious liquidation of a failed bank to protect the public interest, the FDIC insurance fund, and ultimately all taxpayers.
3. The immediate enactment of this regulation is required to clarify the ability of the Nevada Financial Institutions Division to close an institution, appoint the FDIC as receiver immediately, and ensure an orderly resolution of the institution in the best interests of the public during this critical time in the financial services industry.

NOW, THEREFOR, the Commissioner hereby adopts the emergency regulation.

February 23, 2009.

FOR THE
FINANCIAL INSTITUTIONS DIVISION
STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY

/s/
GEORGE E. BURNS,
Commissioner

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GOVERNOR'S ENDORSEMENT

I, Governor Jim Gibbons, endorse the Nevada Financial Institution Division's foregoing Statement of Emergency.

February 23, 2009.

/s/

JIM GIBBONS
Governor of Nevada