

**286.12-040 Proposed change of control of licensee -- Information to be submitted --
Commissioner's determination and approval.**

- (1) As used in this section:
 - (a) "Control":
 1. Means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a licensee, whether through the ownership of the licensee's voting stock, the ownership of voting stock of any person that possesses such power over the licensee, or otherwise; and
 2. Shall be presumed to exist for any person that, directly or indirectly, owns, controls, or holds with power to vote, ten percent (10%) or more of the following, except no person shall be deemed to control a licensee solely by reason of being an officer or director of the licensee:
 - a. A licensee's voting stock; or
 - b. The voting stock of a person that owns, controls, or holds with power to vote, ten percent (10%) or more of a licensee's voting stock; and
 - (b) "Legal representative" means a person duly appointed by a court of competent jurisdiction to act as executor, administrator, trustee, committee, conservator, or receiver, including a person acting in an ancillary capacity thereto in accordance with the provisions of the court appointment.
- (2) A licensee shall submit to the commissioner, within fifteen (15) days after learning of a proposed change of control, and at least thirty (30) days prior to the proposed change of control:
 - (a) The name, address, and occupation of each new managing officer and director, general partner, or managing member, as may be applicable; and
 - (b) Any other information as the commissioner may require.
- (3)
 - (a) The commissioner may determine whether or not the ownership, control, or holding of voting stock constitutes, or would constitute, control of a licensee for purposes of this section.
 - (b) The following may make a request to the commissioner for a determination under paragraph (a) of this subsection:
 1. A licensee;
 2. Any person that, directly or indirectly, owns, controls, or holds the power to vote, any voting stock of a licensee; or
 3. Any person that seeks to own, control, or hold power to vote, any voting stock of a licensee.
- (4)
 - (a) Except as provided in subsection (6) of this section, no person shall take an action that results in a change in control of a licensee without prior written approval from the commissioner.
 - (b) A person seeking to acquire control of a licensee shall:

1. Submit a written application to, and on a form prescribed by, the commissioner, which shall include:
 - a. The information and materials required for applications under KRS 286.12-030; and
 - b. Any other information the commissioner deems necessary and appropriate for the purpose of making the determination required by subsection (5) of this section; and
 2. Pay an investigation fee prescribed by order of the commissioner.
- (5) The commissioner shall approve an application made under subsection (4) of this section if the commissioner determines that the requirements of this subtitle for obtaining a license will be satisfied after the change of control.
- (6) For a change of control by operation of law to the legal representative of a person who has control of a licensee, the legal representative shall, within six (6) months from the date of the representative's qualification or within any additional period of time as the commissioner may, in writing, approve, make an application to the commissioner under subsection (4) of this section for approval of the change of control, which shall be determined by the commissioner in accordance with subsection (5) of this section.

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