

HOUSE BILL NO. HB0061

Wyoming Chartered Family Trust Company Act.

Sponsored by: Joint Minerals, Business & Economic
Development Interim Committee

A BILL

for

1 AN ACT relating to banks, banking and finance; creating the
2 Wyoming Chartered Family Trust Company Act; creating
3 requirements for chartered family trust companies;
4 providing for fees; establishing a statute of limitations
5 for legal actions; requiring the posting of bonds with the
6 state banking commissioner; providing for inspection of the
7 records of a chartered family trust company; providing for
8 the conversion of a trust company to a chartered family
9 trust company; requiring reports to the state banking
10 commissioner; creating a resolution fund account; providing
11 contributions to the resolution fund account; providing
12 rulemaking authority; and providing for an effective date.

13

14 *Be It Enacted by the Legislature of the State of Wyoming:*

15

1 **Section 1.** W.S. 13-5-201 through 13-5-219 are created
2 to read:

3

4

ARTICLE 2

5

CHARTERED FAMILY TRUST COMPANY ACT

6

7

13-5-201. Short title.

8

9 This act may be cited as the "Wyoming Chartered Family
10 Trust Company Act."

11

12

13-5-202. Purpose.

13

14

(a) The purpose of this act is to:

15

16

17

(i) Encourage family trust companies to charter
with the commissioner;

18

19

20

21

22

23

(ii) Define those persons who are engaged in or
who desire to provide fiduciary services to a single family
and its related interests as a chartered family trust
company, and who are not doing trust company business with
the public or offering services to the general public; and

1

2 (iii) Bring under public supervision the
3 benefits of being chartered pursuant to the provisions of
4 this act.

5

6 **13-5-203. Applicability.**

7

8 Except as otherwise provided in this article, a chartered
9 family trust company is subject to the provisions of
10 Wyoming statutes, title 13, chapter 5.

11

12 **13-5-204. Definitions.**

13

14 (a) As used in this article:

15

16 (i) "Board member" means:

17

18 (A) In the case of a corporation, a
19 director of the corporation;

20

21 (B) In the case of a limited liability
22 company, the manager of the limited liability company.

23

1 (ii) "Chartered family trust company" means a
2 family trust company chartered by the state of Wyoming
3 pursuant to this act;

4
5 (iii) "Collateral kinship" means a relationship
6 that is not lineal, but stems from a common ancestor;

7
8 (iv) "Designated relative" means the common
9 ancestor of the family, who may be either living or
10 deceased. With regard to a chartered family trust company
11 or a family trust company applying to be chartered pursuant
12 to this act, the designated relative is the person who is
13 designated in the application for a charter under this act;

14
15 (v) "Family affiliate" means a company or other
16 entity, including charitable nonprofit organizations,
17 charitable foundations, charitable trusts, or other
18 charitable organizations, with respect to which one (1) or
19 more family members or affiliates own, directly or
20 indirectly, one hundred percent (100%) of the company or
21 entity or possess, directly or indirectly, the power to
22 direct or cause the direction of the management and
23 policies of that company or entity, whether through the

1 ownership of voting securities, by contract, power of
2 direction or otherwise;

3

4 (vi) "Family member" means, without limitation,
5 a designated relative and:

6

7 (A) Any person within the tenth degree of
8 lineal kinship of the designated relative;

9

10 (B) Any person within the ninth degree of
11 collateral kinship to the designated relative;

12

13 (C) The spouse and any former spouse of the
14 designated relative or of any person qualifying as a family
15 member pursuant to subparagraph (A) or (B) of this
16 paragraph;

17

18 (D) A person who is a relative of a spouse
19 or former spouse specified in subparagraph (C) of this
20 paragraph who is within the fifth degree of lineal kinship
21 of the spouse or former spouse;

22

23 (E) A family affiliate;

1

2 (F) A trust established by a family member
3 either individually or jointly with a spouse and any
4 trustee, advisor or other person assisting with
5 administration of that trust, if funded by one (1) or more
6 family members;

7

8 (G) A trust of which each trustee or other
9 person authorized to make decisions with respect to the
10 trust and each settlor is a family member;

11

12 (H) Does not include a member of the
13 public;

14

15 (J) For purposes of this definition:

16

17 (I) A legally adopted person shall be
18 treated as a natural child of the adoptive parents;

19

20 (II) A stepchild shall be treated as a
21 natural child of the family member who is or was the
22 stepparent of that child;

23

1 (III) A foster child or an individual
2 who was a minor when a family member became his or her
3 legal guardian shall be treated as a natural child of the
4 family member appointed as foster parent or guardian;

5

6 (IV) Children of a spouse of a family
7 member shall be treated as a natural child of that family
8 member; and

9

10 (V) Degrees are calculated by adding
11 the number of steps from the designated relative through
12 each person to the family member either directly, in case
13 of lineal kinship, or through the common ancestor, in the
14 case of collateral kinship.

15

16 (vii) "Family trust company" means a corporation
17 or limited liability company that:

18

19 (A) Acts or proposes to act as a fiduciary;

20

21 (B) Is organized or qualified to do
22 business in this state to serve family members;

23

1 (C) Does not transact trust company
2 business with, propose to act as a fiduciary for or solicit
3 trust company business with the general public; and
4

5 (D) Whose officers execute and deliver a
6 signed waiver to the commissioner acknowledging that the
7 family trust company is not regulated under this act and
8 its members are not afforded any of the protections or
9 privileges of this act.
10

11 (viii) "Governing board" means:
12

13 (A) In the case of a corporation, the board
14 of directors of the corporation;
15

16 (B) In the case of a limited liability
17 company, the manager of the limited liability company.
18

19 (ix) "Lineal kinship" means a family member who
20 is in the direct line of ascent or descent from the
21 designated kinship;
22

1 (x) "Officers, managers and directors of a
2 family affiliate" means a natural person, including any
3 officer, manager or director's spouse who holds a joint,
4 community property or other similar shared ownership
5 interest with that officer, manager or director, who is an
6 executive officer, director, trustee, general partner or
7 person serving in a similar capacity who, in connection
8 with his or her regular functions or duties, participates
9 in the investment activities of the company, provided that
10 the employee has been performing functions and duties for
11 or on behalf of the chartered family trust company for at
12 least twelve (12) months;

13

14 (xi) "Organizational instrument" means the
15 articles of incorporation for a corporation or the articles
16 of organization for a limited liability company;

17

18 (xii) "Transact business with the general
19 public" means engaging in any advertising, solicitations,
20 arrangements, agreements or transactions to provide, accept
21 and undertake to perform the duties as an executor,
22 administrator, guardian, conservator or trustee in this
23 state in the regular course of business;

1

2 (xiii) "Trust service office" means any office,
3 agency or other place of business at which the powers
4 granted to chartered family trust companies are exercised
5 by the chartered family trust company other than the place
6 of business specified in the chartered family trust
7 company's charter.

8

9 **13-5-205. Organization of a chartered family trust**
10 **company.**

11

12 (a) One (1) or more persons may subscribe to an
13 organizational instrument in writing for the purpose of
14 forming a chartered family trust company, subject to the
15 conditions prescribed by law.

16

17 (b) The articles of incorporation for a chartered
18 family trust company organized as a corporation shall set
19 forth all of the information required by W.S. 17-16-202 and
20 the following:

21

22 (i) The corporate name, which shall comply with
23 W.S. 13-5-207 and 17-16-401; and

1

2 (ii) A statement that the articles of
3 incorporation are made to enable the shareholders to avail
4 themselves of the advantages of this act.

5

6 (c) The articles of organization for a chartered
7 family trust company organized as a limited liability
8 company shall include the following information:

9

10 (i) The name of the limited liability company,
11 which must comply with W.S. 13-5-207 and 17-29-108;

12

13 (ii) A statement that the articles of
14 organization are made to enable the members to avail
15 themselves of the advantage of this act.

16

17 (d) A chartered family trust company organized as a
18 limited liability company shall be subject to all of the
19 same laws and regulations that relate to a chartered family
20 trust company organized as a corporation. All managers and
21 employees of a chartered family trust company organized as
22 a limited liability company shall be subject to the same
23 duties and liabilities as pertain to directors, trustees

1 and employees of a chartered family trust company organized
2 as a corporation.

3

4 **13-5-206. Requirements for chartered family trust**
5 **company.**

6

7 (a) A chartered family trust company shall maintain:

8

9 (i) A physical office in this state where
10 original or true copies, including electronic copies, of
11 all material business records and accounts of the chartered
12 family trust company may be accessed and readily available
13 for examination by the commissioner; and

14

15 (ii) A bank account with a state or nationally
16 chartered bank or savings and loan association having a
17 principal or branch office in this state.

18

19 **13-5-207. Naming convention; advertisement of family**
20 **trust company.**

21

22 (a) No person or entity shall advertise, issue or
23 circulate any paper or exhibit any sign, using the term

1 "trust company" unless they have fully complied with this
2 act or W.S. 13-5-101 through 13-5-113.

3

4 (b) No person or entity wishing to organize as a
5 private family trust shall use the term "trust company" in
6 its name without further specifying in its name that the
7 company is a "private single family trust company" unless
8 they have fully complied with this act or W.S. 13-5-101
9 through 13-5-113.

10

11 (c) Neither a family trust company nor a chartered
12 family trust company formed and doing business under the
13 laws of this state or any other state shall advertise its
14 services to the public.

15

16 **13-5-208. Minimum capital requirements; investment of**
17 **capital.**

18

19 The initial capital required to organize a chartered family
20 trust company shall be not less than five hundred thousand
21 dollars (\$500,000.00). The full amount of the initial
22 capital must be paid in cash to the governing body of the
23 chartered family trust company, exclusive of all

1 organization expenses, before the chartered family trust
2 company is authorized to commence business as a chartered
3 family trust company. Once organized, a chartered family
4 trust company shall maintain a minimum level of capital
5 required by the commissioner to operate in a safe and sound
6 manner based upon the commissioner's examination of the
7 company, provided that the level of capital in a chartered
8 family trust company shall not be less than five hundred
9 thousand dollars (\$500,000.00).

10
11 **13-5-209. Procedures upon filing of organizational**
12 **instruments, application and other information; application**
13 **fee; approval or disapproval of application; criteria for**
14 **approval; action upon application.**

15
16 (a) An applicant for a chartered family trust company
17 charter must file an application with the commissioner on
18 forms prescribed by the commissioner. The application must
19 contain or be accompanied by such information as required
20 pursuant to rules and regulations of the commissioner.

21
22 (b) The application filed with the commissioner shall
23 be accompanied by a fee of ten thousand dollars

1 (\$10,000.00) to cover the expense of the investigation by
2 the commissioner. If an application to become a chartered
3 family trust company is withdrawn by the applicant at any
4 time prior to the granting of the charter, the statutory
5 application filing fee, less the amount of any expense
6 authorized above and actually incurred, shall be refunded
7 to the applicant.

8

9 (c) The failure of the applicant to furnish required
10 information, data, other material or the required fee
11 within thirty (30) days after a written request from the
12 commissioner may be considered a withdrawal of the
13 application.

14

15 (d) Within forty-five (45) days after receipt of a
16 completed application, the commissioner shall, in his
17 discretion, approve, conditionally approve or disapprove
18 the application. Prior to taking action on an application,
19 the commissioner shall determine that:

20

21 (i) The chartered family trust company is being
22 formed for no other purpose than the legitimate objects
23 contemplated by the laws of this state;

1

2 (ii) The proposed capital and surplus are not
3 less than the required minimum amount in W.S. 13-5-208 and
4 are adequate in light of current and prospective conditions
5 as determined by the commissioner;

6

7 (iii) The applicants, proposed officers and
8 directors have sufficient character, reputation,
9 experience, ability and financial standing to afford
10 reasonable promise of successful operation;

11

12 (iv) The name of the proposed chartered family
13 trust company does not resemble the name of any other
14 chartered family trust company or financial institution
15 transacting business in the state so closely as to cause
16 confusion;

17

18 (v) The applicants have complied with all
19 applicable provisions of law and such other facts and
20 circumstances bearing on the proposed family trust company
21 as the commissioner may reasonably deem relevant.

22

1 (e) The commissioner shall take action upon the
2 application by stating findings of fact and conclusions of
3 law.

4

5 (f) Upon approval of an application, the commissioner
6 shall endorse upon the articles of organization or
7 incorporation his approval and shall file one (1) copy of
8 the application with the secretary of state, retain one (1)
9 copy in his files and return one (1) copy to the applicant
10 within twenty (20) days after the date of the decision of
11 the commissioner approving the application. If the
12 commissioner conditionally approves an application and the
13 applicant complies with the conditions imposed by the
14 commissioner, the commissioner shall approve the
15 application and proceed in accordance with this section.

16

17 (g) Notice of the entry of an order refusing a
18 charter or imposing conditions upon approval of the charter
19 to a family trust company must be given in writing, served
20 personally or sent by certified mail, return receipt
21 requested, to the applicant. If the commissioner
22 disapproves or imposes conditions upon the application, the
23 commissioner shall mail notice of the action to the

1 applicants within twenty (20) days after the commissioner's
2 negative action. The company, upon appeal, is entitled to
3 a hearing before the board pursuant to the Wyoming
4 Administrative Procedure Act. If no such appeal is made
5 within thirty (30) days after the entry of an order
6 refusing a charter or imposing conditions upon the charter
7 to any applicant, the commissioner shall enter a final
8 order.

9

10 **13-5-210. Powers of chartered family trust company**
11 **and family trust company; banking business prohibited.**

12

13 (a) A chartered family trust company or a family
14 trust company may, but only for family members:

15

16 (i) Act or be appointed by any court within and
17 outside this state to act as executor, administrator,
18 guardian or conservator of estates of family members,
19 assignee, receiver, depository, trustee, custodian or in
20 any other fiduciary or representative capacity for family
21 members for any purpose permitted by law;

22

1 (ii) Act as transfer agent or registrar of
2 corporate stocks and bonds of family affiliates;

3
4 (iii) Purchase, invest in and sell stocks,
5 bonds, mutual funds, mortgages and other securities for the
6 account of the family trusts;

7
8 (iv) Accept and execute any trust business of
9 family members or family affiliates permitted by any law of
10 this or any other state or of the United States to be
11 taken, accepted or executed by an individual;

12
13 (v) Take oaths and execute affidavits by the
14 oath or affidavit of its president, vice president,
15 secretary, assistant secretary, manager, trust officer or
16 assistant trust officer;

17
18 (vi) Make any lawful fiduciary investment as
19 permitted by Wyoming Uniform Prudent Investor Act;

20
21 (vii) Perform all acts necessary to exercise the
22 powers enumerated in this section.

23

1 (b) A chartered family trust company organized under
2 this act or a family trust company shall not engage in:

3

4 (i) Any banking business by accepting general
5 deposits or issuing demand instruments; or

6

7 (ii) Engage in trust company business with the
8 public.

9

10 **13-5-211. Authorized actions and transactions;**
11 **conflicts of interest.**

12

13 (a) In addition to the actions authorized by W.S.
14 13-5-210 and notwithstanding the provisions of any other
15 law, while acting as a fiduciary of a trust, a chartered
16 family trust company may:

17

18 (i) Invest in a security of an investment
19 company or investment trust for which the chartered family
20 trust company, or a family affiliate, provides services in
21 a capacity other than as a fiduciary;

22

1 (ii) Place a security transaction using a broker
2 that is a family affiliate;

3

4 (iii) Invest in an investment contract that is
5 purchased from an insurance company or carrier owned by or
6 affiliated with the chartered family trust company or a
7 family affiliate;

8

9 (iv) Enter into an agreement with a beneficiary
10 or grantor of a trust with respect to the appointment or
11 compensation of the fiduciary or a family affiliate;

12

13 (v) Transact business with another trust,
14 estate, guardianship or conservatorship for which the
15 chartered family trust company is a fiduciary or in which a
16 beneficiary has an interest;

17

18 (vi) Make an equity investment in a closely held
19 entity that may or may not be marketable and that is owned
20 or controlled, either directly or indirectly, by one (1) or
21 more beneficiaries, family members or family affiliates;

22

1 (vii) Deposit trust money in a financial
2 institution that is owned or operated by a family
3 affiliate;

4

5 (viii) Delegate the authority to conduct any
6 transaction or action pursuant to this section to an agent
7 of the chartered family trust company or a family
8 affiliate;

9

10 (ix) Purchase, sell, hold or invest in any
11 security, bond, real or personal property, stock or other
12 asset of a family affiliate;

13

14 (x) Loan money to or borrow money from:

15

16 (A) A family member of the trust or his or
17 her legal representative;

18

19 (B) Another trust managed by the chartered
20 family trust company; or

21

22 (C) A family affiliate.

23

1 (xi) Act as proxy in voting any shares of stock
2 which are assets of the trust;

3

4 (xii) Exercise any powers of control with
5 respect to any interest in a company that is an asset of
6 the trust, including, without limitation, the appointment
7 of officers or directors who are family affiliates; and

8

9 (xiii) Receive reasonable compensation for its
10 services or the services of a family affiliate.

11

12 (b) A transaction or action authorized pursuant to
13 subsection (a) of this section must:

14

15 (i) Be for a fair price, if applicable;

16

17 (ii) Be in the interest of the beneficiaries;

18 and

19

20 (iii) Comply with:

21

22 (A) The terms of the trust instrument
23 establishing the fiduciary relationship;

1

2

(B) A judgment, decree or court order;

3

4

5

(C) The written consent of each interested person.

6

7

8

9

10

11

(c) Except as otherwise provided in subsection (b) of this section, nothing in this section prohibits a chartered family trust company from transacting business with or investing in any asset of:

12

13

14

15

16

17

18

19

20

21

22

23

(i) A trust, estate, guardianship or conservatorship for which the chartered family trust company is a fiduciary;

(ii) A family affiliate; or

(iii) Any other company, agent, entity or person for which a conflict of interest may exist.

(d) A conflict of interest between the fiduciary duty and personal interest of a chartered family trust company does not void a transaction or action that:

1

2 (i) Complies with the provisions of this
3 section; or

4

5 (ii) Occurred before the chartered family trust
6 company entered into a fiduciary relationship pursuant to a
7 trust instrument.

8

9 (e) A transaction by or action of a chartered family
10 trust company authorized by this section is not voidable
11 if:

12

13 (i) The transaction or action was authorized by
14 the terms of the trust;

15

16 (ii) The transaction or action was approved by a
17 court or pursuant to a court order;

18

19 (iii) No interested person commenced a legal
20 action relating to the transaction or action pursuant to
21 subparagraph (b)(iii)(B) of this section;

22

1 (iv) The transaction or action was authorized by
2 a valid consent agreement, release or pursuant to the
3 issuance of a notice of proposed action issued pursuant to
4 subparagraph (b)(iii)(C) of this section; or

5

6 (v) The transaction or action occurred before
7 the chartered family trust company entered into a fiduciary
8 relationship pursuant to a trust instrument.

9

10 (f) A legal action by an interested person alleging
11 that a transaction or action by a chartered family trust
12 company is voidable because of the existence of a conflict
13 of interest must be commenced within one (1) year of the
14 date on which the interested person discovered, or by the
15 exercise of reasonable diligence should have discovered,
16 the facts in support of his or her claim.

17

18 (g) Notwithstanding the provisions of any other law
19 to the contrary, a chartered family trust company is not
20 required to obtain court approval for any transaction that
21 otherwise complies with the provisions of this section.

22

23 **13-5-212. Financial transactions.**

1

2 (a) Every chartered family trust company shall keep
3 all trust funds and investments separate and apart from the
4 assets of the company and all investments made by the
5 company as a fiduciary shall be designated so that the
6 trust or estate to which the investments belong may be
7 clearly identified.

8

9 (b) Every chartered family trust company holding
10 trust funds awaiting investment or distribution may deposit
11 or leave on deposit the funds with a state or nationally
12 chartered bank or savings and loan association or invest in
13 other cash equivalent investments, including but not
14 limited to uninsured money market funds or United States
15 treasury bills with a duration of twelve (12) months or
16 less. The funds shall not be deposited or left with the
17 same corporation depositing or leaving on deposit such
18 funds, nor with the corporation or association holding or
19 owning a majority of the capital stock of the chartered
20 family trust company making or leaving the deposit, unless
21 the corporation or association shall first pledge, as
22 security for the deposit, securities eligible for
23 investment in state banks that have a market value equal to

1 that of the deposited funds. No security shall be required
2 with respect to any portion of such deposits which are
3 insured under the provisions of any law of the United
4 States.

5

6 (c) Every chartered family trust company acting in
7 any capacity under a trust, unless the instrument creating
8 the trust provides otherwise, may cause any securities or
9 other property held by it in its representative capacity to
10 be registered in the name of a nominee or nominees of the
11 company.

12

13 (d) Every chartered family trust company when acting
14 as depository or custodian for the fiduciary of a trust,
15 unless the instrument creating the trust provides otherwise
16 may with the consent of the fiduciary of the trust cause
17 any securities or other property held by it to be
18 registered in the name of the nominee or nominees of the
19 company.

20

21 (e) Every chartered family trust company shall be
22 liable for any loss occasioned by the acts of any of its

1 nominees with respect to securities or other property
2 registered under subsections (c) and (d) of this section.

3

4 (f) No corporation, or the registrar or transfer
5 agent thereof, shall be liable for registering or causing
6 to be registered on the books of the corporation any
7 securities in the name of any nominee of a chartered family
8 trust company or transferring or causing to be transferred
9 on the books of the corporation any securities therefore
10 registered by the corporation in the name of any nominee of
11 a trust company, as provided in this section, when the
12 transfer is made on the authorization of the nominee.

13

14 **13-5-213. Powers of commissioner; rulemaking**
15 **authority.**

16

17 (a) In addition to other powers conferred by this
18 act, the commissioner shall:

19

20 (i) Supervise and examine all chartered family
21 trust companies organized under the provisions of this act.
22 Chartered family trust companies shall also be subject to
23 the laws of this state governing banks and other financial

1 institutions in all cases where the laws do not conflict
2 with the provisions of this act. In addition to the
3 reports required under W.S. 13-5-110, all chartered family
4 trust companies shall file with the commissioner an annual
5 certificate of compliance with this act in a form
6 prescribed by the commissioner;

7

8 (ii) Adopt reasonable rules and regulations and
9 issue orders to implement the provisions of this act. In
10 exercising the authority granted in this paragraph, the
11 commissioner shall act in the interests of promoting and
12 maintaining a sound trust company system, the security of
13 assets and trust accounts and the protection of other
14 customers;

15

16 (iii) Collect from each chartered family trust
17 company subject to this section an amount equal to the
18 total direct and indirect costs of the examination
19 conducted. The fees and expenses collected shall be
20 remitted to the state treasurer and credited to the
21 financial institutions administration account.
22 Expenditures from the account shall be made by warrants
23 drawn by the state auditor, upon vouchers issued and signed

1 by the director or the commissioner. Funds from the
2 account shall be expended to carry out the duties of the
3 commissioner or the board;

4

5 (iv) Determine and collect from each family
6 trust company a fee in an amount equal to the total direct
7 and indirect costs of providing any certificate, letter of
8 assurance or other document requested by a family trust
9 company stating that the family trust company has complied
10 with W.S. 13-5-204(a)(vii)(D) and is not regulated under
11 this act or any other law of the state of Wyoming.

12

13 **13-5-214. Reports to commissioner.**

14

15 (a) The commissioner may call for special reports
16 verified under oath from any chartered family trust company
17 at any time as necessary to inform the commissioner of the
18 condition of the chartered family trust company.

19

20 (b) All reports required of chartered family trust
21 companies by the commissioner under this act and all
22 materials relating to examinations of chartered family

1 trust companies under this act shall be subject to the
2 provisions of W.S. 9-1-512.

3

4 **13-5-215 Inspection of chartered family trust**
5 **company; fees; resolution fund account; confidentiality.**

6

7 (a) Every chartered family trust company is subject
8 to inspection by the commissioner. The commissioner or a
9 duly appointed examiner shall visit and examine each
10 chartered family trust company as often as the commissioner
11 deems necessary and at least once every three (3) years,
12 with or without previous notice to the officers of or
13 anyone interested in the chartered family trust company.
14 The commissioner or a duly appointed examiner shall make a
15 complete and careful examination of the condition and
16 resources of the chartered family trust company, the mode
17 of managing the company's affairs and conducting its
18 business, all records, transactions and other data or
19 documents pertaining to the actions of the family trust
20 company, the action of its officers and directors in the
21 investment and disposition of trust funds, the safety and
22 prudence of the company's management, the security afforded
23 to those by whom trust company engagements are held,

1 whether the requirements of this act are being complied
2 with and such other matters as the commissioner may
3 prescribe.

4

5 (b) On or before January 31 of each year, a chartered
6 family trust company shall compute and pay supervisory fees
7 to the commissioner based on the total asset base of the
8 chartered family trust company as of the preceding December
9 31. The supervisory fees shall be set by rule and
10 regulation at an amount to provide for the supervision of
11 the chartered family trust company as required by this act.
12 Such fees shall be established by rules of the commissioner
13 to assure consistency with the cost of supervision and the
14 fees paid by chartered family trust companies. Other fees
15 assessed for administrative services caused by applications
16 or activities attributable to a specific family trust
17 company shall be used to defray the cost of the special
18 services and, to the extent possible, shall be recovered
19 from the chartered family trust company that requires the
20 special service.

21

22 (c) A portion of each chartered family trust
23 company's supervisory fee shall be designated to the trust

1 company resolution fund account created pursuant to
2 subsection (e) of this section to be used by the
3 commissioner in the event of involuntary dissolution of a
4 chartered family trust company. Expenditures to cover the
5 expenses incurred by the commissioner as a result of the
6 involuntary dissolution of a chartered family trust company
7 shall be made from the fund account by warrants drawn from
8 the state auditor and signed by the commissioner or the
9 director. The portion of the supervisory fee designated to
10 the account shall be:

11

12 (i) Established and adjusted by rule and
13 regulation of the commissioner; and

14

15 (ii) Remitted to the state treasurer for deposit
16 to the trust company resolution fund account.

17

18 (d) All information, reports or applications obtained
19 by the commissioner from an applicant or chartered family
20 trust company are confidential.

21

22 (e) There is created the trust company resolution
23 fund account. Funds in the account shall be expended as

1 provided in subsection (c) of this section. Funds in the
2 account are continuously appropriated to be expended for
3 the purposes of this section.

4

5 **13-5-216. Fidelity bonds; insurance.**

6

7 (a) The directors or managers of a chartered family
8 trust company shall obtain fidelity bonds of not less than
9 one million dollars (\$1,000,000.00) providing coverage for
10 any active officers, managers, members acting in a
11 managerial capacity and employees, whether or not they
12 receive a salary or other compensation from the chartered
13 family trust company, to indemnify the chartered family
14 trust company against loss because of any dishonest,
15 fraudulent or criminal act or omission by any of the
16 persons bonded, acting alone or in combination with any
17 other person. The bonds may be in any form and may be paid
18 for by the chartered family trust company.

19

20 (b) A chartered family trust company may also procure
21 property and casualty insurance of a nature and with such
22 coverage amounts as the chartered family trust company
23 deems advisable.

1

2 **13-5-217. Conversion from trust company to chartered**
3 **family trust company.**

4

5 (a) A trust company that meets the requirements of
6 W.S. 13-5-204(a)(vii), 13-5-206 and 13-5-208 may merge
7 with, convert into or reorganize as a chartered family
8 trust company upon application to the commissioner on forms
9 approved by the commissioner.

10

11 (b) For trust companies established after July 1,
12 2015, seeking to convert from a trust company to a
13 chartered family trust company, the application filed with
14 the commissioner shall be accompanied by a fee of ten
15 thousand dollars (\$10,000.00).

16

17 (c) Within thirty (30) days after receipt of a
18 completed application, a trust company that meets the
19 requirements of this section and is in good standing with
20 the commissioner, shall be issued a charter as a chartered
21 family trust company.

22

1 (d) The applicant shall be notified when the
2 application is approved. Within twenty (20) days after
3 notification, the applicant shall furnish the bonds
4 required by W.S. 13-5-216(a).

5

6 **13-5-218. Conversion from chartered family trust**
7 **company to trust company.**

8

9 A chartered family trust company following the procedure
10 outlined in W.S. 13-5-102 through W.S. 13-5-105, and upon
11 approval of the new charter and surrender of the family
12 trust company charter, may be granted a charter as a trust
13 company.

14

15 **13-5-219. Establishment of trust service offices;**
16 **application.**

17

18 (a) After first applying for and obtaining the
19 approval of the commissioner, one (1) or more trust service
20 offices may be established and operated by a chartered
21 family trust company organized under the laws of this
22 state. An application to establish and operate a trust
23 service office or to relocate an existing trust service

1 office shall be submitted and approved by way of the
2 procedure set forth in W.S. 13-5-209.

3

4 (b) A chartered family trust company may establish a
5 trust service office in another state, territory or
6 district and may conduct any activities at that office that
7 are permissible for a trust company under the laws of that
8 state, territory or district, subject to the laws of this
9 state and subject to the rules and regulations of the
10 commissioner.

11

12 **Section 2.** This act is effective July 1, 2015.

13

14

(END)