

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:

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16

17

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

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19

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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 nonprofit organizations, charitable  
17 foundations, charitable trusts, or other charitable  
18 organizations, with respect to which one (1) or more family  
19 members or affiliates own, directly or indirectly, one  
20 hundred percent (100%) of the company or entity or  
21 possess, directly or indirectly, the power to direct or  
22 cause the direction of the management and policies of that

1 company or entity, whether through the ownership of voting  
2 securities, by contract, power of 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

1                   (E) A family affiliate and the officers,  
2 managers and directors of that family affiliate;

3

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

9

10                   (G) A trust established by a person who is  
11 not a family member if noncharitable beneficiaries of that  
12 trust include family members;

13

14                   (H) A trust of which each trustee or other  
15 person authorized to make decisions with respect to the  
16 trust and each settlor is a family member;

17

18                   (J) The probate estate of a nonfamily  
19 member if the noncharitable beneficiaries of that estate  
20 include family members;

21

22                   (K) A nonprofit organization, charitable  
23 foundation, a charitable trust or charitable entity of

1 which a family member is an organizer, incorporator,  
2 officer, member of the governing board, trustee, major  
3 donor or noncharitable beneficiary and the officers,  
4 directors, individual trustees and managers of that  
5 foundation, trust or entity and their immediate families;

6

7 (M) Does not include a member of the  
8 public;

9

10 (N) For purposes of this definition:

11

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

14

15 (II) A stepchild shall be treated as a  
16 natural child of the family member who is or was the  
17 stepparent of that child;

18

19 (III) A foster child or an individual  
20 who was a minor when a family member became his or her  
21 legal guardian shall be treated as a natural child of the  
22 family member appointed as foster parent or guardian;

23

1                   (IV) Children of a spouse of a family  
2 member shall be treated as a natural child of that family  
3 member; and

4

5                   (V) Degrees are calculated by adding  
6 the number of steps from the designated relative through  
7 each person to the family member either directly, in case  
8 of lineal kinship, or through the common ancestor, in the  
9 case of collateral kinship.

10

11                   (vii) "Family trust company" means a corporation  
12 or limited liability company that:

13

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

15

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

18

19                   (C) Does not transact trust company  
20 business with, propose to act as a fiduciary for or solicit  
21 trust company business with the general public; and

22



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

6

7                   (viii) "Governing board" means:

8

9                   (A) In the case of a corporation, the board  
10 of directors of the corporation;

11

12                   (B) In the case of a limited liability  
13 company, the manager of the limited liability company.

14

15                   (ix) "Lineal kinship" means a family member who  
16 is in the direct line of ascent or descent from the  
17 designated kinship;

18

19                   (x) "Officers, managers and directors of a  
20 family affiliate" means a natural person, including any  
21 officer, manager or director's spouse who holds a joint,  
22 community property or other similar shared ownership  
23 interest with that officer, manager or director, who is an

1 executive officer, director, trustee, general partner or  
2 person serving in a similar capacity who, in connection  
3 with his or her regular functions or duties, participates  
4 in the investment activities of the company, provided that  
5 the employee has been performing functions and duties for  
6 or on behalf of the chartered family trust company for at  
7 least twelve (12) months;

8

9 (xi) "Organizational instrument" means the  
10 articles of incorporation for a corporation or the articles  
11 of organization for a limited liability company;

12

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

19

20 (xiii) "Trust service office" means any office,  
21 agency or other place of business at which the powers  
22 granted to chartered family trust companies are exercised  
23 by the chartered family trust company other than the place

1 of business specified in the chartered family trust  
2 company's charter.

3

4 **13-5-205. Organization of a chartered family trust**  
5 **company.**

6

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

11

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

16

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

19

20 (ii) A statement that the articles of  
21 incorporation are made to enable the shareholders to avail  
22 themselves of the advantages of this act.

23

1           (c) The articles of organization for a chartered  
2 family trust company organized as a limited liability  
3 company shall include the following information:

4  
5           (i) The name of the limited liability company,  
6 which must comply with W.S. 13-5-207 and 17-29-108;

7  
8           (ii) A statement that the articles of  
9 organization are made to enable the members to avail  
10 themselves of the advantage of this act.

11  
12           (d) A chartered family trust company organized as a  
13 limited liability company shall be subject to all of the  
14 same laws and regulations that relate to a chartered family  
15 trust company organized as a corporation. All managers and  
16 employees of a chartered family trust company organized as  
17 a limited liability company shall be subject to the same  
18 duties and liabilities as pertain to directors, trustees  
19 and employees of a chartered family trust company organized  
20 as a corporation.

21  
22           **13-5-206. Requirements for chartered family trust**  
23 **company.**

1

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

3

4 (i) A physical office in this state where  
5 original or true copies, including electronic copies, of  
6 all material business records and accounts of the chartered  
7 family trust company may be accessed and readily available  
8 for examination by the commissioner; and

9

10 (ii) A bank account with a state or nationally  
11 chartered bank or savings and loan association having a  
12 principal or branch office in this state.

13

14 **13-5-207. Naming convention; advertisement of family**  
15 **trust company.**

16

17 (a) No person or entity shall advertise, issue or  
18 circulate any paper or exhibit any sign, using the term  
19 "trust company" unless they have fully complied with this  
20 act or W.S. 13-5-101 through 13-5-113.

21

22 (b) No person or entity wishing to organize as a  
23 private family trust shall use the term "trust company" in

1 its name without further specifying in its name that the  
2 company is a "private single family trust company" unless  
3 they have fully complied with this act or W.S. 13-5-101  
4 through 13-5-113.

5

6 (c) Neither a family trust company nor a chartered  
7 family trust company formed and doing business under the  
8 laws of this state or any other state shall advertise its  
9 services to the public.

10

11 **13-5-208. Minimum capital requirements; investment of**  
12 **capital.**

13

14 The initial capital required to organize a chartered family  
15 trust company shall be not less than five hundred thousand  
16 dollars (\$500,000.00). The full amount of the initial  
17 capital must be paid in cash to the governing body of the  
18 chartered family trust company, exclusive of all  
19 organization expenses, before the chartered family trust  
20 company is authorized to commence business as a chartered  
21 family trust company. Once organized, a chartered family  
22 trust company shall maintain a minimum level of capital  
23 required by the commissioner to operate in a safe and sound

1 manner based upon the commissioner's examination of the  
2 company, provided that the level of capital in a chartered  
3 family trust company shall not be less than five hundred  
4 thousand dollars (\$500,000.00).

5

6 **13-5-209. Procedures upon filing of organizational**  
7 **instruments, application and other information; application**  
8 **fee; approval or disapproval of application; criteria for**  
9 **approval; action upon application.**

10

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

16

17 (b) The application filed with the commissioner shall  
18 be accompanied by a fee of ten thousand dollars  
19 (\$10,000.00) to cover the expense of the investigation by  
20 the commissioner. If an application to become a chartered  
21 family trust company is withdrawn by the applicant at any  
22 time prior to the granting of the charter, the statutory  
23 application filing fee, less the amount of any expense

1 authorized above and actually incurred, shall be refunded  
2 to the applicant.

3

4 (c) The failure of the applicant to furnish required  
5 information, data, other material or the required fee  
6 within thirty (30) days after a written request from the  
7 commissioner may be considered a withdrawal of the  
8 application.

9

10 (d) Within forty-five (45) days after receipt of a  
11 completed application, the commissioner shall, in his  
12 discretion, approve, conditionally approve or disapprove  
13 the application. Prior to taking action on an application,  
14 the commissioner shall determine that:

15

16 (i) The character, reputation, financial  
17 standing and ability of the applicants is sufficient to  
18 successfully operate a chartered family trust company;

19

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

23



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

5

6           (iv) The proposed officers and directors have  
7 sufficient experience, ability and standing to afford  
8 reasonable promise of successful operation;

9

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

15

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

20

21           (e) The commissioner shall take action upon the  
22 application by stating findings of fact and conclusions of  
23 law.

1

2 (f) Upon approval of an application, the commissioner  
3 shall endorse upon the articles of organization or  
4 incorporation his approval and shall file one (1) copy of  
5 the application with the secretary of state, retain one (1)  
6 copy in his files and return one (1) copy to the applicant  
7 within twenty (20) days after the date of the decision of  
8 the commissioner approving the application. If the  
9 commissioner conditionally approves an application by  
10 requiring increased capital or surplus, retention of  
11 additional qualified officers or directors or change of the  
12 name to avoid confusion, upon compliance by the applicant  
13 with the conditions imposed by the commissioner, the  
14 commissioner shall approve the application and proceed in  
15 accordance with this section.

16

17 (g) Notice of the entry of an order refusing a  
18 charter to a family trust company must be given in writing,  
19 served personally or sent by certified mail, return receipt  
20 requested, to the applicant. If the commissioner  
21 disapproves the application, the commissioner shall mail  
22 notice of the disapproval to the applicants within twenty  
23 (20) days after the commissioner's negative action. The

1 company, upon application, is entitled to a hearing before  
2 the board pursuant to the Wyoming Administrative Procedure  
3 Act. If no such application is made within thirty (30)  
4 days after the entry of an order refusing a charter to any  
5 applicant, the commissioner shall enter a final order.

6

7 **13-5-210. Powers of chartered family trust company**  
8 **and family trust company; banking business prohibited.**

9

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

12

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

19

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

22

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

4

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

9

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

14

15           (vi) Make any lawful fiduciary investment as  
16 permitted by Wyoming Uniform Prudent Investor Act;

17

18           (vii) Perform all acts necessary to exercise the  
19 powers enumerated in this section.

20

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

23

1           (i) Any banking business by accepting general  
2 deposits or issuing demand instruments; or

3  
4           (ii) Engage in trust company business with the  
5 public.

6  
7           **13-5-211. Authorized actions and transactions;**  
8 **conflicts of interest.**

9  
10          (a) In addition to the actions authorized by W.S.  
11 13-5-210 and notwithstanding the provisions of any other  
12 law, while acting as a fiduciary of a trust, a chartered  
13 family trust company may:

14  
15           (i) Invest in a security of an investment  
16 company or investment trust for which the chartered family  
17 trust company, or a family affiliate, provides services in  
18 a capacity other than as a fiduciary;

19  
20           (ii) Place a security transaction using a broker  
21 that is a family affiliate;

22

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

5

6           (iv) Enter into an agreement with a beneficiary  
7 or grantor of a trust with respect to the appointment or  
8 compensation of the fiduciary or a family affiliate;

9

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

14

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

19

20           (vii) Deposit trust money in a financial  
21 institution that is owned or operated by a family  
22 affiliate;

23

1           (viii) Delegate the authority to conduct any  
2 transaction or action pursuant to this section to an agent  
3 of the chartered family trust company or a family  
4 affiliate;

5

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

9

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

11

12                   (A) A family member of the trust or his or  
13 her legal representative;

14

15                   (B) Another trust managed by the chartered  
16 family trust company; or

17

18                   (C) A family affiliate.

19

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

22

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

5

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

8

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

11

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

13

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

15 and

16

17           (iii) Comply with:

18

19           (A) The terms of the trust instrument  
20 establishing the fiduciary relationship;

21

22           (B) A judgment, decree or court order;

23



1                   (C) The written consent of each interested  
2 person.

3

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

8

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

12

13                   (ii) A family affiliate; or

14

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

17

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

21

22                   (i) Complies with the provisions of this  
23 section; or

1

2           (ii) Occurred before the chartered family trust  
3 company entered into a fiduciary relationship pursuant to a  
4 trust instrument.

5

6           (e) A transaction by or action of a chartered family  
7 trust company authorized by this section is not voidable  
8 if:

9

10           (i) The transaction or action was authorized by  
11 the terms of the trust;

12

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

15

16           (iii) No interested person commenced a legal  
17 action relating to the transaction or action pursuant to  
18 subparagraph (b)(iii)(B) of this section;

19

20           (iv) The transaction or action was authorized by  
21 a valid consent agreement, release or pursuant to the  
22 issuance of a notice of proposed action issued pursuant to  
23 subparagraph (b)(iii)(C) of this section; or

1

2 (v) The transaction or action occurred before  
3 the chartered family trust company entered into a fiduciary  
4 relationship pursuant to a trust instrument.

5

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

13

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

18

19 **13-5-212. Financial transactions.**

20

21 (a) Every chartered family trust company shall keep  
22 all trust funds and investments separate and apart from the  
23 assets of the company and all investments made by the

1 company as a fiduciary shall be designated so that the  
2 trust or estate to which the investments belong may be  
3 clearly identified.

4

5 (b) Every chartered family trust company holding  
6 trust funds awaiting investment or distribution may deposit  
7 or leave on deposit the funds with a state or nationally  
8 chartered bank or savings and loan association or invest in  
9 other cash equivalent investments, including but not  
10 limited to uninsured money market funds or United States  
11 treasury bills with a duration of twelve (12) months or  
12 less. The funds shall not be deposited or left with the  
13 same corporation depositing or leaving on deposit such  
14 funds, nor with the corporation or association holding or  
15 owning a majority of the capital stock of the chartered  
16 family trust company making or leaving the deposit, unless  
17 the corporation or association shall first pledge, as  
18 security for the deposit, securities eligible for  
19 investment in state banks that have a market value equal to  
20 that of the deposited funds. No security shall be required  
21 with respect to any portion of such deposits which are  
22 insured under the provisions of any law of the United  
23 States.

1

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

8

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

16

17 (e) Every chartered family trust company shall be  
18 liable for any loss occasioned by the acts of any of its  
19 nominees with respect to securities or other property  
20 registered under subsections (c) and (d) of this section.

21

22 (f) No corporation, or the registrar or transfer  
23 agent thereof, shall be liable for registering or causing

1 to be registered on the books of the corporation any  
2 securities in the name of any nominee of a chartered family  
3 trust company or transferring or causing to be transferred  
4 on the books of the corporation any securities therefore  
5 registered by the corporation in the name of any nominee of  
6 a trust company, as provided in this section, when the  
7 transfer is made on the authorization of the nominee.

8

9 **13-5-213. Powers of commissioner; rulemaking**  
10 **authority.**

11

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

14

15 (i) Supervise and examine all chartered family  
16 trust companies organized under the provisions of this act.  
17 Chartered family trust companies shall also be subject to  
18 the laws of this state governing banks and other financial  
19 institutions in all cases where the laws do not conflict  
20 with the provisions of this act;

21

22 (ii) Adopt reasonable rules and regulations and  
23 issue orders to implement the provisions of this act. In

1 exercising the authority granted in this paragraph, the  
2 commissioner shall act in the interests of promoting and  
3 maintaining a sound trust company system, the security of  
4 assets and trust accounts and the protection of other  
5 customers;

6

7 (iii) Collect from each chartered family trust  
8 company subject to this section an amount equal to the  
9 total direct and indirect costs of the examination  
10 conducted. The fees and expenses collected shall be  
11 remitted to the state treasurer and credited to the  
12 financial institutions administration account.  
13 Expenditures from the account shall be made by warrants  
14 drawn by the state auditor, upon vouchers issued and signed  
15 by the director or the commissioner. Funds from the  
16 account shall be expended to carry out the duties of the  
17 commissioner or the board;

18

19 (iv) Determine and collect from each family  
20 trust company a fee in an amount equal to the total direct  
21 and indirect costs of providing any certificate, letter of  
22 assurance or other document requested by a family trust  
23 company stating that the family trust company has complied

1 with W.S. 13-5-204(a)(vii)(D) and is not regulated under  
2 this act or any other law of the state of Wyoming.

3

4 **13-5-214. Reports to commissioner.**

5

6 (a) The commissioner may call for special reports  
7 verified under oath from any chartered family trust company  
8 at any time as necessary to inform the commissioner of the  
9 condition of the chartered family trust company.

10

11 (b) All reports required of chartered family trust  
12 companies by the commissioner under this act and all  
13 materials relating to examinations of chartered family  
14 trust companies under this act shall be subject to the  
15 provisions of W.S. 9-1-512.

16

17 **13-5-215 Inspection of chartered family trust**  
18 **company; fees; resolution fund account; confidentiality.**

19

20 (a) Every chartered family trust company is subject  
21 to inspection by the commissioner. The commissioner or a  
22 duly appointed examiner shall visit and examine each  
23 chartered family trust company as often as the commissioner



1 deems necessary and at least once every three (3) years,  
2 with or without previous notice to the officers of or  
3 anyone interested in the chartered family trust company.  
4 The commissioner or a duly appointed examiner shall make a  
5 complete and careful examination of the condition and  
6 resources of the chartered family trust company, the mode  
7 of managing the company's affairs and conducting its  
8 business, all records, transactions and other data or  
9 documents pertaining to the actions of the family trust  
10 company, the action of its officers and directors in the  
11 investment and disposition of trust funds, the safety and  
12 prudence of the company's management, the security afforded  
13 to those by whom trust company engagements are held,  
14 whether the requirements of this act are being complied  
15 with and such other matters as the commissioner may  
16 prescribe.

17

18 (b) On or before January 31 of each year, a chartered  
19 family trust company shall compute and pay supervisory fees  
20 to the commissioner based on the total asset base of the  
21 chartered family trust company as of the preceding December  
22 31. The supervisory fees shall be set by rule and  
23 regulation at an amount to provide for the supervision of

1 the chartered family trust company as required by this act.  
2 Such fees shall be established by rules of the commissioner  
3 to assure consistency with the cost of supervision and the  
4 fees paid by chartered family trust companies. Other fees  
5 assessed for administrative services caused by applications  
6 or activities attributable to a specific family trust  
7 company shall be used to defray the cost of the special  
8 services and, to the extent possible, shall be recovered  
9 from the chartered family trust company that requires the  
10 special service.

11

12 (c) A portion of each chartered family trust  
13 company's supervisory fee shall be designated to the trust  
14 company resolution fund account created pursuant to  
15 subsection (e) of this section to be used by the  
16 commissioner in the event of involuntary dissolution of a  
17 chartered family trust company. Expenditures to cover the  
18 expenses incurred by the commissioner as a result of the  
19 involuntary dissolution of a chartered family trust company  
20 shall be made from the fund account by warrants drawn from  
21 the state auditor and signed by the commissioner or the  
22 director. The portion of the supervisory fee designated to  
23 the account shall be:

1

2 (i) Established and adjusted by rule and  
3 regulation of the commissioner; and

4

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

7

8 (d) All information, reports or applications obtained  
9 by the commissioner from an applicant or chartered family  
10 trust company are confidential.

11

12 (e) There is created the trust company resolution  
13 fund account. Funds in the account shall be expended as  
14 provided in subsection (c) of this section. Funds in the  
15 account are continuously appropriated to be expended for  
16 the purposes of this section.

17

18 **13-5-216. Fidelity bonds; insurance.**

19

20 (a) The directors or managers of a chartered family  
21 trust company shall obtain fidelity bonds of not less than  
22 one million dollars (\$1,000,000.00) providing coverage for  
23 any active officers, managers, members acting in a

1 managerial capacity and employees, whether or not they  
2 receive a salary or other compensation from the chartered  
3 family trust company, to indemnify the chartered family  
4 trust company against loss because of any dishonest,  
5 fraudulent or criminal act or omission by any of the  
6 persons bonded, acting alone or in combination with any  
7 other person. The bonds may be in any form and may be paid  
8 for by the chartered family trust company.

9

10 (b) A chartered family trust company may also procure  
11 property and casualty insurance of a nature and with such  
12 coverage amounts as the chartered family trust company  
13 deems advisable.

14

15 **13-5-217. Conversion from trust company to chartered**  
16 **family trust company.**

17

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

23

1           (b) For trust companies established after July 1,  
2 2015, seeking to convert from a trust company to a  
3 chartered family trust company, the application filed with  
4 the commissioner shall be accompanied by a fee of ten  
5 thousand dollars (\$10,000.00).

6

7           (c) Within thirty (30) days after receipt of a  
8 completed application, a trust company that meets the  
9 requirements of this section and is in good standing with  
10 the commissioner, shall be issued a charter as a chartered  
11 family trust company.

12

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

17

18           **13-5-218. Conversion from chartered family trust**  
19 **company to trust company.**

20

21 A chartered family trust company following the procedure  
22 outlined in W.S. 13-5-102 through W.S. 13-5-105, and upon  
23 approval of the new charter and surrender of the family

1 trust company charter, may be granted a charter as a trust  
2 company.

3

4 **13-5-219. Establishment of trust service offices;**  
5 **application.**

6

7 (a) After first applying for and obtaining the  
8 approval of the commissioner, one (1) or more trust service  
9 offices may be established and operated by a chartered  
10 family trust company incorporated under the laws of this  
11 state. An application to establish and operate a trust  
12 service office or to relocate an existing trust service  
13 office shall be submitted and approved by way of the  
14 procedure set forth in W.S. 13-5-209.

15

16 (b) A chartered family trust company may establish a  
17 trust service office in another state, territory or  
18 district and may conduct any activities at that office that  
19 are permissible for a trust company under the laws of that  
20 state, territory or district, subject to the laws of this  
21 state and subject to the rules and regulations of the  
22 commissioner.

1

2

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

3

4

(END)