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**Jane Dee Hull
Secretary of State**

CHAPTER 204

HOUSE BILL 2082

AN ACT

AMENDING SECTIONS 6-201, 6-851, 6-853, 6-854, 6-856, 6-857, 6-859, 6-861, 6-863 AND 6-865, ARIZONA REVISED STATUTES; AMENDING TITLE 6, CHAPTER 8, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 6-854.01, 6-854.02, 6-868, 6-869, 6-870, 6-870.01 AND 6-870.02; AMENDING TITLE 6, CHAPTER 8, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 3; RELATING TO REGULATION OF TRUST COMPANIES.

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-201, Arizona Revised Statutes, is amended to
3 read:

4 6-201. Authority to engage in banking business; exception

5 A. No person, except a national banking association with its home
6 office in this state or bank authorized to do business in this state pursuant
7 to section 6-217 or section 6-322, subsection A, shall engage in the banking
8 business in this state without a banking permit.

9 B. For the purposes of this section, a person engaged in the business
10 of receiving money on deposit subject to payment by check or any other form
11 of order or request or on presentation of a certificate of deposit or ANY
12 other evidence of debt is engaged in the banking business.

13 C. Nothing in this section shall prohibit a savings and loan
14 association qualified to do business in this state from performing any acts
15 authorized by chapter 3 of this title, a credit union qualified to do
16 business in this state from performing any act authorized by chapter 4 of
17 this title ~~or~~, a licensee or authorized delegate under chapter 12 of this
18 title from performing any act regulated by that chapter OR A TRUST COMPANY
19 QUALIFIED TO DO BUSINESS IN THIS STATE THAT MAINTAINS SAVINGS ACCOUNTS OR

1 TIME DEPOSITS PURSUANT TO SECTION 6-882 FROM PERFORMING ANY ACT AUTHORIZED
2 BY CHAPTER 8 OF THIS TITLE.

3 Sec. 2. Section 6-851, Arizona Revised Statutes, is amended to read:

4 6-851. Definitions

5 A. In this chapter, unless the context otherwise requires:

6 1. "Superintendent" means the state superintendent of banks.

7 2. "Trust business" means the holding out by a person to the public
8 at large by advertising, solicitation or other means that such person is
9 available to act as a fiduciary in this state and accepting and undertaking
10 to perform the duties as such fiduciary in the regular course of his
11 business.

12 3. "Trust company" means a corporation holding a certificate issued
13 under this article.

14 B. In this article, unless the context otherwise requires:

15 1. "AGENT" MEANS A PERSON WHO RECEIVES COMPENSATION TO REGULARLY
16 PERFORM SERVICES SPECIFICALLY RELATED TO THE CONDUCT OF THE TRUST BUSINESS.

17 2. "CAPITAL" MEANS THE TOTAL OF OUTSTANDING COMMON STOCK, PREFERRED
18 STOCK AND SURPLUS AND UNDIVIDED PROFITS.

19 ~~1~~ 3. "Certificate" means a certificate of authority issued under the
20 provisions of this chapter to engage in trust business.

21 4. "CONTINGENCY PLAN" MEANS A DOCUMENT STATING A TRUST COMPANY'S MEANS
22 OF CONDUCTING BUSINESS AND PRESERVING RECORDS IN THE EVENT OF ANY POWER
23 OUTAGE, FLOOD OR OTHER PHYSICAL EMERGENCY.

24 ~~2~~ 5. "Fiduciary" means ~~executor,~~ A PERSONAL REPRESENTATIVE,
25 administrator, guardian, conservator, ~~or~~ trustee, AGENT OR OTHER PERSON WHO
26 ACTS IN A FIDUCIARY CAPACITY AND WHO IS NOT EXEMPT BY SECTION 6-852.

27 6. "IMPAIRED" OR "INSOLVENT" MEANS THE TRUST COMPANY DOES NOT POSSESS
28 ASSETS THAT ARE AT LEAST EQUAL TO LIABILITIES, REQUIRED RESERVES AND TOTAL
29 ISSUED AND OUTSTANDING CAPITAL.

30 7. "LIQUID CAPITAL" MEANS CAPITAL IN THE FORM OF CERTIFICATES OF
31 DEPOSIT ISSUED BY BANKS, SAVINGS BANKS OR SAVINGS AND LOAN ASSOCIATIONS DOING
32 BUSINESS IN THIS STATE AND INSURED BY THE FEDERAL DEPOSIT INSURANCE
33 CORPORATION OR ANY SUCCESSOR INSTITUTION OR DIRECT OBLIGATIONS OF THE UNITED
34 STATES GOVERNMENT WITH MATURITY OF NOT MORE THAN FIVE YEARS.

35 8. "SURPLUS" MEANS THE TOTAL AMOUNT PAID BY SHAREHOLDERS IN EXCESS OF
36 THE PAR OR STATED VALUE OF THE SHARES OF CAPITAL STOCK OF A TRUST BUSINESS
37 IN CONSIDERATION FOR THE SHARES.

38 Sec. 3. Section 6-853, Arizona Revised Statutes, is amended to read:

39 6-853. Certificate required; exceptions

40 A. A person shall not engage in the trust business without first
41 obtaining a certificate from the superintendent except as provided by
42 subsection B or C OF THIS SECTION, OR BY SECTION 6-852, SUBSECTION C.

43 B. A bank, if a member of the federal deposit insurance corporation
44 and otherwise authorized under the laws of the United States or this state

1 to engage in the trust business in this state, may engage in such business
2 as a bank without obtaining a certificate under this chapter, and shall not
3 be subject to the ~~record keeping, examination, investigation and reporting~~
4 ~~requirements of this chapter, but shall be subject to the provisions of this~~
5 ~~chapter relating to the administration of its trust accounts~~ ARTICLE EXCEPT
6 FOR SECTION 6-859, SUBSECTION A, AND SECTION 6-860.

7 C. A savings and loan association, if a member of the federal deposit
8 insurance corporation or such other instrumentality of, or corporation
9 chartered by, the United States as may be established for the purpose of
10 insuring the accounts of savings and loan associations, and otherwise
11 authorized under the laws of the United States or this state to engage in the
12 trust business in this state, may engage in that business as a savings and
13 loan association without obtaining a certificate under this chapter and is
14 not subject to the ~~record keeping, examination, investigation and reporting~~
15 ~~requirements of this chapter but is subject to the provisions of this chapter~~
16 ~~relating to the administration of its trust accounts~~ ARTICLE EXCEPT FOR
17 SECTION 6-859, SUBSECTION A, AND SECTION 6-860.

18 Sec. 4. Section 6-854, Arizona Revised Statutes, is amended to read:
19 6-854. Application for certificate

20 A. An application for a certificate shall be in writing, in such form
21 as the superintendent shall prescribe, verified under oath and supported by
22 such information, data and records as the superintendent may require.

23 B. AN APPLICATION FOR A CERTIFICATE SHALL INCLUDE THE APPLICANT'S
24 EXECUTED ARTICLES OF INCORPORATION AND THE FEE PRESCRIBED IN SECTION 6-126.

25 Sec. 5. Title 6, chapter 8, article 1, Arizona Revised Statutes, is
26 amended by adding sections 6-854.01 and 6-854.02, to read:

27 6-854.01. Articles of incorporation; approval; changes

28 A. NOTWITHSTANDING TITLE 10, CHAPTER 2, THE ARTICLES OF INCORPORATION
29 SHALL INCLUDE:

30 1. THE NAME OF THE PROPOSED TRUST COMPANY.

31 2. A DESCRIPTION OF THE GENERAL NATURE OF THE BUSINESS TO BE
32 TRANSACTED AND A STATEMENT AUTHORIZING THE COMPANY TO ENGAGE IN ANY ACTIVITY
33 OR BUSINESS PERMITTED BY LAW.

34 3. THE AMOUNT OF AUTHORIZED CAPITAL STOCK, THE MAXIMUM NUMBER OF
35 SHARES OF PAR VALUE COMMON STOCK AND PREFERRED STOCK, AND THE KIND, CLASS,
36 SERIES, DISTINGUISHING CHARACTERISTICS AND PAR VALUE OF ALL SHARES.

37 4. THE AMOUNT OF CAPITAL, WHICH IS AT LEAST THE AMOUNT REQUIRED BY
38 SECTION 6-856, THE APPLICANT WILL USE TO BEGIN THE TRUST COMPANY.

39 5. A STATEMENT THAT THE COMPANY WILL HAVE PERPETUAL EXISTENCE UNLESS
40 THE COMPANY IS TERMINATED PURSUANT TO THIS ARTICLE.

41 6. THE INITIAL STREET ADDRESS OF THE MAIN OFFICE OF THE TRUST COMPANY.

42 7. THE NUMBER OF DIRECTORS AND THE DIRECTORS' NAMES AND ADDRESSES.

43 8. IF APPLICABLE, A STATEMENT ALLOWING PREEMPTIVE RIGHTS.

1 9. A STATEMENT AUTHORIZING THE BOARD OF DIRECTORS TO APPOINT
2 ADDITIONAL DIRECTORS WHEN NECESSARY.

3 B. WITHIN THIRTY DAYS AFTER RECEIVING THE EXECUTED ARTICLES OF
4 INCORPORATION, THE SUPERINTENDENT SHALL APPROVE OR DISAPPROVE THE ARTICLES.
5 IF THE SUPERINTENDENT DISAPPROVES THE ARTICLES, THE SUPERINTENDENT SHALL
6 NOTIFY THE APPLICANT OF THE ARTICLES' DEFICIENCIES. AFTER ADDRESSING THE
7 DEFICIENCIES, THE APPLICANT SHALL FILE THE REVISED ARTICLES OF INCORPORATION
8 WITH THE CORPORATION COMMISSION.

9 C. THE CORPORATE EXISTENCE OF A TRUST COMPANY BEGINS ON THE DATE THE
10 TRUST COMPANY FILES THE APPROVED OR REVISED ARTICLES OF INCORPORATION WITH
11 THE CORPORATION COMMISSION. AFTER THE TRUST COMPANY FILES THE ARTICLES WITH
12 THE CORPORATION COMMISSION, THE COMPANY MAY PERFORM ALL ACTS NECESSARY TO
13 PERFECT THE ORGANIZATION AND OBTAIN AND EQUIP A PLACE OF BUSINESS.

14 D. WITHIN SEVEN DAYS AFTER PROPOSING A CHANGE TO THE ARTICLES OF
15 INCORPORATION AT A MEETING OF THE BOARD OF DIRECTORS, A TRUST COMPANY SHALL
16 REPORT THE PROPOSED CHANGES TO THE SUPERINTENDENT FOR APPROVAL. THE
17 SUPERINTENDENT SHALL APPROVE THE PROPOSED CHANGES AS LONG AS THE PROPOSED
18 CHANGES ARE CONSISTENT WITH THIS CHAPTER. THE SUPERINTENDENT SHALL NOTIFY
19 THE TRUST COMPANY OF ANY INCONSISTENCIES WITHIN THIRTY DAYS AFTER RECEIVING
20 THE PROPOSED CHANGES. THE TRUST COMPANY SHALL HAVE THIRTY DAYS, AFTER
21 RECEIVING THE SUPERINTENDENT'S NOTICE, TO CORRECT ANY INCONSISTENCIES AND
22 SUBMIT REVISED PROPOSED CHANGES TO THE SUPERINTENDENT.

23 6-854.02. Board of directors; number; bylaws

24 A. A TRUST COMPANY SHALL HAVE AT LEAST THREE DIRECTORS. THE
25 SHAREHOLDERS OF THE COMPANY SHALL ELECT ALL OF THE DIRECTORS.

26 B. UNLESS THE ARTICLES OF INCORPORATION PROVIDE OTHERWISE, THE BOARD
27 OF DIRECTORS MAY ADOPT OR AMEND THE BYLAWS AS LONG AS THE BYLAWS ADOPTED OR
28 AMENDED BY THE BOARD DO NOT CONFLICT WITH THE BYLAWS ADOPTED BY THE
29 SHAREHOLDERS. THE BOARD OF DIRECTORS SHALL FILE A CURRENT COPY OF THE BYLAWS
30 WITH THE SUPERINTENDENT.

31 Sec. 6. Section 6-856, Arizona Revised Statutes, is amended to read:

32 6-856. Minimum capital; dividends; other requirements

33 ~~A. A certificate shall not be issued to a trust company having a~~
34 ~~capital of less than five hundred thousand dollars. The term "capital" shall~~
35 ~~be defined by regulations adopted by the superintendent but shall not include~~
36 ~~promotional stock or stock issued for services or good will.~~

37 A. IN ORDER TO OBTAIN A CERTIFICATE, A TRUST COMPANY SHALL HAVE NOT
38 LESS THAN FIVE HUNDRED THOUSAND DOLLARS OF LIQUID CAPITAL. THE TRUST COMPANY
39 SHALL NOTIFY THE SUPERINTENDENT OF THE FORM IN WHICH AND LOCATION WHERE THE
40 LIQUID CAPITAL IS HELD AND ITS DATE OF MATURITY.

41 B. A trust company which has been issued a certificate by the
42 superintendent shall maintain capital in the amount required under subsection
43 A OF THIS SECTION. ~~; except that a trust company possessing a certificate~~

1 ~~on the effective date of this subsection shall have one year from such~~
2 ~~effective date to comply with this subsection.~~

3 C. A TRUST COMPANY MAY DECLARE A DIVIDEND TO BE PAID FROM NET PROFITS.
4 A DIVIDEND SHALL NOT BE DECLARED, CREDITED OR PAID IF THERE IS AN IMPAIRMENT
5 OF THE LIQUID CAPITAL. A TRUST COMPANY THAT PROPOSES DIVIDENDS IN A CALENDAR
6 YEAR THAT ARE MORE THAN THE NET PROFIT FOR THE SAME CALENDAR YEAR SHALL
7 OBTAIN THE SUPERINTENDENT'S APPROVAL BEFORE DECLARING THE DIVIDENDS.

8 D. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A TRUST COMPANY THAT
9 ACCEPTS MONIES TO BE HELD IN A SAVINGS ACCOUNT OR TIME DEPOSIT PRESCRIBED IN
10 SECTION 6-882 SHALL COMPLY WITH ALL OF THE RULES AND REQUIREMENTS NECESSARY
11 TO OBTAIN AND MAINTAIN INSURANCE ISSUED BY THE FEDERAL DEPOSIT INSURANCE
12 CORPORATION OR ITS SUCCESSOR.

13 Sec. 7. Section 6-857, Arizona Revised Statutes, is amended to read:
14 6-857. Issuance of certificate; hearing

15 A. Upon the filing of an application FOR A CERTIFICATE the
16 superintendent shall make or cause to be made an investigation and
17 examination of the facts concerning the applicant TRUTH OF THE STATEMENTS AND
18 THE BACKGROUND OF THE MANAGEMENT, CONTROLLING SHAREHOLDER OR SHAREHOLDERS,
19 DIRECTORS AND EXECUTIVE OFFICERS and shall issue a certificate if ~~he~~ THE
20 SUPERINTENDENT finds:

21 1. The applicant is a corporation having powers and purposes to engage
22 in the trust business organized under the laws of this state or authorized
23 to do business in this state as a foreign corporation.

24 2. The applicant has complied with all of the applicable provisions
25 of this article.

26 3. The GENERAL CHARACTER, REPUTATION, FINANCIAL STANDING, BUSINESS
27 QUALIFICATIONS, ability and integrity of the persons involved in the
28 management of the applicant's business are such as to demonstrate that ~~the~~ THE
29 TRUST COMPANY will be operated in a SAFE, sound and lawful manner.

30 4. THE PROPOSED CAPITAL MEETS THE REQUIREMENTS OF SECTION 6-856.

31 5. THE APPLICANT HAS SUBMITTED A BUSINESS PLAN DEMONSTRATING A
32 KNOWLEDGE OF POTENTIAL MARKETS AND THE ABILITY TO GENERATE BUSINESS.

33 6. THE APPLICANT HAS PROCURED A FIDELITY BOND AS PRESCRIBED IN SECTION
34 6-868.

35 7. THE APPLICANT HAS PROCURED INSURANCE AS PRESCRIBED IN SECTION
36 6-859, SUBSECTIONS E AND F.

37 B. The superintendent may conditionally accept the application upon
38 specific requirements being met, but a certificate shall not be issued until
39 such conditions have been met.

40 C. The certificate may be granted or denied without A hearing, but the
41 superintendent may, and shall at the request of the applicant, fix a date for
42 a hearing on the application. At the hearing any person may be heard with
43 reference to the facts to be investigated.

1 Sec. 8. Section 6-859, Arizona Revised Statutes, is amended to read:
2 6-859. Records; audits; preservation of records; protection;
3 insurance; bond; contingency plan

4 A. A bank, savings and loan association or trust company shall keep
5 and use in its business any books, accounts and records which will enable the
6 superintendent to determine whether the bank, savings and loan association
7 or trust company is complying with the provisions of this article and the
8 rules ~~and regulations~~ of the superintendent. The superintendent BY RULE may
9 ~~by regulation~~ provide the periods of time and the manner in which such books,
10 accounts and records shall be preserved.

11 B. A CERTIFIED PUBLIC ACCOUNTANT SHALL AUDIT THE CORPORATE RECORDS AND
12 TRUST BUSINESS OF EACH TRUST COMPANY AT LEAST ONCE EACH FISCAL YEAR. THE
13 TRUST COMPANY SHALL FILE A COPY OF THE AUDIT REPORT WITH THE SUPERINTENDENT
14 NOT MORE THAN ONE HUNDRED TWENTY DAYS AFTER THE END OF THE TRUST COMPANY'S
15 FISCAL YEAR. THE AUDIT REQUIREMENT MAY BE SATISFIED BY FILING A COPY OF THE
16 AUDIT REPORT OF THE PARENT OF THE TRUST COMPANY IF THE AUDIT REPORT IS
17 PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT AND INCLUDES A DETAILED EXAMINATION
18 OF THE TRUST COMPANY'S ASSETS AND LIABILITIES AND TRUST BUSINESS. IF THE
19 TRUST COMPANY SHOWS GOOD CAUSE THE SUPERINTENDENT MAY EXTEND THE TIME TO FILE
20 THE AUDIT REPORT BY NOT MORE THAN NINETY DAYS.

21 C. THE AUDIT SHALL INCLUDE AN EXAMINATION OF THE TRUST COMPANY'S
22 INTERNAL CONTROL STRUCTURE OVER THE FINANCIAL REPORTING AND ACCOUNTING OF THE
23 TRUST BUSINESS PLUS ANY REPORTABLE CONDITIONS OF THE TRUST COMPANY'S INTERNAL
24 CONTROL STRUCTURE. FOR PURPOSES OF THIS SUBSECTION, "REPORTABLE CONDITIONS"
25 MEANS SIGNIFICANT DEFICIENCIES IN THE DESIGN OR OPERATION OF THE INTERNAL
26 CONTROL STRUCTURE THAT WOULD ADVERSELY AFFECT THE TRUST COMPANY'S ABILITY TO
27 PERFORM ITS BUSINESS ACTIVITIES AND CARRY OUT ITS FIDUCIARY DUTIES AND
28 RESPONSIBILITIES CONSISTENT WITH THE SAFE, SOUND AND LAWFUL OPERATION OF THE
29 TRUST BUSINESS.

30 ~~B-~~ D. The board of directors of a trust company shall require
31 protection and indemnity for the trust company, ~~in amounts established by the~~
32 ~~superintendent~~ PURSUANT TO SECTION 6-868, against dishonesty, fraud,
33 defalcation, forgery, theft, EMBEZZLEMENT, and other similar insurable
34 losses, with corporate insurance or surety companies authorized to do
35 business in this state. Coverage against such losses shall include all
36 AGENTS WHO DO NOT OTHERWISE PROVIDE PROTECTION AND INDEMNITY FOR THE TRUST
37 COMPANY, directors, officers and employees of the trust company ACTING
38 INDEPENDENTLY OR IN COLLUSION OR COMBINATION WITH ANY PERSON OR PERSONS
39 whether or not they draw salary or compensation.

40 E. THE BOARD OF DIRECTORS SHALL REQUIRE SUITABLE INSURANCE TO PROTECT
41 THE TRUST COMPANY AGAINST BURGLARY, ROBBERY, THEFT AND OTHER INSURABLE
42 HAZARDS TO WHICH IT MAY BE EXPOSED IN THE OPERATION OF THE BUSINESS.

43 F. THE BOARD OF DIRECTORS SHALL PROCURE ERRORS AND OMISSIONS INSURANCE
44 OF AT LEAST FIVE HUNDRED THOUSAND DOLLARS.

1 G. AT LEAST ONCE EACH YEAR THE BOARD OF DIRECTORS SHALL REVIEW THE
2 FIDELITY BOND AND THE ERRORS AND OMISSIONS INSURANCE TO DETERMINE THE
3 ADEQUACY OF COVERAGE IN RELATION TO THE EXPOSURE. THE MINIMUM AMOUNT OF
4 INSURANCE REQUIRED IN THIS CHAPTER DOES NOT AUTOMATICALLY REPRESENT ADEQUATE
5 BOND AND INSURANCE COVERAGE IN RELATION TO THE EXPOSURE. THE ACTIONS BY THE
6 BOARD OF DIRECTORS SHALL BE RECORDED IN THE MINUTES OF THE BOARD.
7 IMMEDIATELY AFTER PROCURING THE BONDS, THE BOARD OF DIRECTORS SHALL FILE THEM
8 WITH THE SUPERINTENDENT.

9 H. THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT SHALL:

10 1. ESTABLISH POLICIES, PROCEDURES AND RESPONSIBILITIES FOR
11 COMPREHENSIVE CONTINGENCY PLANNING.

12 2. ANNUALLY REVIEW AND APPROVE THE TRUST COMPANY'S CONTINGENCY PLANS
13 AND RECORD THE ACTIONS IN THE MINUTES OF THE BOARD OF DIRECTORS.

14 I. IF THE TRUST COMPANY RECEIVES INFORMATION PROCESSING FROM A SERVICE
15 BUREAU THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT SHALL:

16 1. EVALUATE THE ADEQUACY OF CONTINGENCY PLANS FOR ITS SERVICE BUREAU.

17 2. ENSURE THAT THE TRUST COMPANY'S CONTINGENCY PLAN IS COMPATIBLE WITH
18 ITS SERVICE BUREAU'S PLAN.

19 Sec. 9. Section 6-861, Arizona Revised Statutes, is amended to read:

20 6-861. Reports

21 A. The superintendent may require reports of financial condition and
22 relevant information concerning the business operations of each trust
23 company, ~~and~~ SHALL fix and extend the time for the filing of such reports and
24 SHALL assess a penalty of ~~five~~ FIFTY dollars for each day the trust company
25 is delinquent.

26 B. THE PRESIDENT, CHIEF EXECUTIVE OFFICER OR CHIEF OPERATING OFFICER
27 SHALL EXAMINE THE BOOKS AND ACCOUNTS OF THE TRUST COMPANY FOR THE PURPOSE OF
28 MAKING THE REPORT AND SHALL VERIFY THE REPORT BY PROVIDING AN AFFIDAVIT
29 STATING THAT THE INFORMATION CONTAINED IN THE REPORT IS ACCURATE TO THE BEST
30 OF THE PRESIDENT'S OR OFFICER'S KNOWLEDGE OR BELIEF.

31 C. THE REPORT SHALL CONTAIN STATEMENTS AND INFORMATION REGARDING THE
32 AFFAIRS, BUSINESS CONDITIONS, RESOURCES AND IMPLEMENTATION OF INTERNAL
33 CONTROLS AS SAFEGUARDS FOR THE PROTECTION OF FIDUCIARY BENEFICIARIES,
34 CREDITORS, SHAREHOLDERS AND THE PUBLIC.

35 D. EXCLUDING WEEKENDS AND HOLIDAYS, WITHIN FORTY-EIGHT HOURS AFTER THE
36 DATE OF DISCOVERY, A TRUST COMPANY THAT IS THE VICTIM OF A ROBBERY, THE
37 SHORTAGE OF FUNDS OF MORE THAN FIVE THOUSAND DOLLARS OR THE APPARENT
38 MISAPPLICATION OF TRUST FUNDS BY AN OFFICER, DIRECTOR, AGENT OR EMPLOYEE
39 SHALL ISSUE A WRITTEN REPORT TO THE SUPERINTENDENT EXPLAINING THE LOSS.

40 E. WITHIN THIRTY DAYS AFTER THE SERVICE OF THE COMPLAINT, THE TRUST
41 COMPANY SHALL ISSUE A WRITTEN REPORT TO THE SUPERINTENDENT STATING ANY
42 ADVERSE LEGAL ACTIONS INVOLVING ALLEGATIONS OF FRAUD, BREACH OF FIDUCIARY
43 DUTY, BREACH OF CONTRACT OR MISAPPLICATION OR COMMINGLING OF TRUST FUNDS,
44 INCLUDING COMPLAINTS THAT ARE DISMISSED WITHIN THIRTY DAYS OF SERVICE.

1 Sec. 10. Section 6-863, Arizona Revised Statutes, is amended to read:

2 6-863. Suspension or revocation of certificate

3 A. The superintendent may suspend or revoke the certificate of a trust
4 company PURSUANT TO TITLE 41, CHAPTER 6 if, ~~after notice and opportunity for~~
5 ~~a hearing,~~ the superintendent determines that:

6 1. The trust company has failed or refused to comply with any order
7 issued pursuant to section 6-137.

8 2. The application for a certificate or for renewal of a certificate
9 OR ANY REPORT SUBMITTED TO THE SUPERINTENDENT contained a false
10 representation or omission of a material fact.

11 3. Any officer or agent of the trust company, in connection with THE
12 SUBMISSION OF ANY REPORT OR INFORMATION TO THE SUPERINTENDENT OR an
13 application for a certificate or for renewal of a certificate, knowingly made
14 a false representation of a material fact or failed to disclose a material
15 fact to the superintendent or the duly authorized agent of the
16 superintendent.

17 4. The trust company has violated any applicable law, rule or order.

18 5. The trust company is IMPAIRED OR INSOLVENT AND THE TRUST COMPANY
19 IS unable to pay debts as they become due in the regular course of its
20 business.

21 6. The trust company refuses to permit an examination or investigation
22 by the superintendent of its books and affairs or has failed or refused to
23 furnish within thirty days any information or to make any report that may be
24 required by the superintendent.

25 7. THE TRUST COMPANY IS UNABLE TO MAINTAIN THE AMOUNT OF CAPITAL
26 REQUIRED BY LAW.

27 8. THE TRUST COMPANY FAILED TO CONDUCT BUSINESS IN A SAFE, SOUND AND
28 LAWFUL MANNER.

29 9. ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE TRUST COMPANY HAS
30 BEEN CONVICTED IN ANY STATE OF A FELONY OR A CRIME OF MORAL TURPITUDE, BREACH
31 OF TRUST, FRAUD, THEFT OR DISHONESTY.

32 10. ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE TRUST COMPANY IS
33 NOT HONEST OR TRUTHFUL AND DOES NOT DEMONSTRATE GOOD CHARACTER.

34 11. THE TRUST COMPANY'S CERTIFICATE OR AUTHORIZATION TO ENGAGE IN TRUST
35 BUSINESS IN ANY STATE OR COUNTRY HAS BEEN REVOKED, SUSPENDED OR DENIED.

36 12. A FINAL JUDGMENT HAS BEEN ENTERED IN A CIVIL ACTION AGAINST ANY
37 OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE TRUST COMPANY INVOLVING FRAUD,
38 DECEIT OR MISREPRESENTATION AND THE CONDUCT IS CONTRARY TO THE INTEREST OF
39 THE PUBLIC TO PERMIT THE PERSON TO ENGAGE IN A TRUST BUSINESS, TO CONTROL OR
40 MANAGE A TRUST COMPANY OR TO WORK FOR A TRUST COMPANY HANDLING TRUST FUNDS.

41 13. AN ORDER BY AN ADMINISTRATIVE AGENCY OF THIS STATE, ANOTHER STATE,
42 THE FEDERAL GOVERNMENT, A TERRITORY OF THE UNITED STATES OR ANOTHER COUNTRY
43 HAS BEEN ENTERED AGAINST ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE
44 TRUST COMPANY INVOLVING FRAUD, DECEIT OR MISREPRESENTATION AND THE CONDUCT

1 IS CONTRARY TO THE INTEREST OF THE PUBLIC TO PERMIT THE PERSON TO ENGAGE IN
2 A TRUST BUSINESS, TO CONTROL OR MANAGE A TRUST COMPANY OR TO WORK FOR A TRUST
3 COMPANY HANDLING TRUST FUNDS.

4 B. THE SUPERINTENDENT MAY SUSPEND THE CERTIFICATE IF ANY OFFICER,
5 DIRECTOR, EMPLOYEE OR AGENT OF THE TRUST COMPANY IS INDICTED OR INFORMED
6 AGAINST FOR FORGERY, EMBEZZLEMENT, RETAINING MONIES UNDER FALSE PRETENSES,
7 EXTORTION, CRIMINAL CONSPIRACY TO DEFRAUD OR A LIKE OFFENSE AND A CERTIFIED
8 COPY OF THE INDICTMENT OR INFORMATION OR OTHER PROPER EVIDENCE OF THE
9 INDICTMENT OR INFORMATION IS FILED WITH THE SUPERINTENDENT.

10 C. PURSUANT TO SUBSECTION A OF THIS SECTION, THE SUPERINTENDENT MAY
11 SUSPEND OR REVOKE THE CERTIFICATE FOR THE ACTS AND OMISSIONS OF:

12 1. ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE TRUST COMPANY WHILE
13 ACTING IN THE COURSE OF THE TRUST BUSINESS.

14 2. A PERSON ENTITLED TO VOTE MORE THAN FIFTEEN PER CENT OF THE
15 OUTSTANDING VOTING SHARES OF THE TRUST COMPANY.

16 Sec. 11. Section 6-865, Arizona Revised Statutes, is amended to read:

17 6-865. Unsafe condition; receivership

18 If the deficiency in capital has not been made good or the TRUST
19 COMPANY IS IN AN unsafe or unsound condition THAT IS NOT remedied within the
20 time prescribed under an order of the superintendent issued pursuant to
21 section 6-137, the superintendent may apply to the superior court, ~~in the~~
22 ~~county in which the principal office of the company is located,~~ to be
23 appointed receiver for the liquidation or rehabilitation of the company. The
24 expense of such receivership shall be paid out of the assets of the trust
25 company.

26 Sec. 12. Title 6, chapter 8, article 1, Arizona Revised Statutes, is
27 amended by adding sections 6-868, 6-869, 6-870, 6-870.01 and 6-870.02, to
28 read:

29 6-868. Fidelity bond; requirements

30 A. A TRUST COMPANY DOING BUSINESS UNDER THIS CHAPTER SHALL OBTAIN AND
31 MAINTAIN A FIDELITY BOND, NAMING THE TRUST COMPANY AS OBLIGEE, IN THE
32 FOLLOWING AMOUNTS:

TRUST ASSETS (MARKET VALUE)	FIDELITY BOND AMOUNTS
LESS THAN \$3,000,000	\$500,000
\$3,000,000 TO \$4,999,999	\$525,000
\$5,000,000 TO \$7,499,999	\$550,000
\$7,500,000 TO \$9,999,999	\$575,000
\$10,000,000 TO \$14,999,999	\$600,000
\$15,000,000 TO \$19,999,999	\$650,000
\$20,000,000 TO \$24,999,999	\$700,000
\$25,000,000 TO \$34,999,999	\$750,000
\$35,000,000 TO \$49,999,999	\$850,000
\$50,000,000 TO \$74,999,999	\$950,000

1	\$75,000,000 TO \$99,999,999	\$1,000,000
2	\$100,000,000 TO \$149,999,999	\$1,250,000
3	\$150,000,000 TO \$249,999,999	\$1,600,000
4	\$250,000,000 TO \$499,999,999	\$2,100,000
5	\$500,000,000 TO \$999,999,999	\$2,400,000
6	\$1,000,000,000 TO \$2,000,000,000	\$4,400,000
7	OVER \$2,000,000,000	\$6,000,000

8 B. THE TRUST COMPANY SHALL FILE A SIGNED COPY OF ITS BOND WITH THE
9 SUPERINTENDENT, AND THE BOND REMAINS A PART OF THE DEPARTMENT'S RECORDS. THE
10 BOND COMPANY SHALL NOT CANCEL THE BOND FOR FAILURE TO PAY THE PREMIUM UNLESS
11 THE BOND COMPANY FILES A WRITTEN NOTICE WITH THE DEPARTMENT AT LEAST THIRTY
12 DAYS BEFORE CANCELING THE BOND. THE BOND COMPANY SHALL NOT CANCEL THE BOND
13 FOR ANY OTHER REASON UNLESS THE BOND COMPANY FILES A WRITTEN NOTICE WITH THE
14 DEPARTMENT AT LEAST FORTY-FIVE DAYS BEFORE CANCELING THE BOND.

15 C. THE BOND MAY CONTAIN A DEDUCTIBLE CLAUSE NOT TO EXCEED FIFTEEN PER
16 CENT OF THE FACE AMOUNT OF THE BOND. IF THE DEDUCTIBLE EXCEEDS FIFTEEN PER
17 CENT OF THE FACE AMOUNT OF THE BOND, THE DEDUCTIBLE CLAUSE MUST BE APPROVED
18 BY THE SUPERINTENDENT.

19 6-869. Meetings; reports; report of examination; response;
20 penalties

21 A. THE BOARD OF DIRECTORS OF A TRUST COMPANY SHALL MEET AT LEAST ONCE
22 EVERY THREE MONTHS. THE SUPERINTENDENT OR ANY DIRECTOR MAY CALL A SPECIAL
23 MEETING. A MAJORITY OF THE BOARD CONSTITUTES A QUORUM. THE BOARD SHALL KEEP
24 MINUTES OF EACH MEETING, INCLUDING A RECORD OF ATTENDANCE AND A RECORD OF ALL
25 VOTES PERTAINING TO THE TRUST BUSINESS, ANY OFFICER OR ANY SHAREHOLDER.

26 B. AT LEAST ONCE EVERY THREE MONTHS THE BOARD OF DIRECTORS OF A TRUST
27 COMPANY SHALL REVIEW WRITTEN REPORTS PREPARED BY THE PRESIDENT, OTHER
28 OFFICERS OF THE TRUST COMPANY OR THE TRUST COMMITTEE AS PRESCRIBED IN SECTION
29 6-870. THE REPORTS SHALL INCLUDE THE ACCOUNTS THAT HAVE BEEN OPENED OR
30 CLOSED DURING THE CALENDAR QUARTER BEFORE THE MEETING AND THE TRUST ACCOUNTS
31 SUBJECT TO ANNUAL REVIEW DURING THE CALENDAR QUARTER BEFORE THE MEETING.

32 C. WITHIN THIRTY DAYS AFTER THE TRUST COMPANY RECEIVES A REPORT OF
33 EXAMINATION FROM THE SUPERINTENDENT, THE DIRECTORS SHALL MEET TO CONSIDER THE
34 CONTENTS OF THE REPORT. WITHIN TEN DAYS AFTER THE MEETING, THE CHAIRMAN OR
35 THE PRESIDENT OF THE BOARD OF DIRECTORS SHALL NOTIFY THE SUPERINTENDENT OF
36 THE MEETING AND SHALL ACKNOWLEDGE, ON THE DECLARATION OF EACH DIRECTOR
37 ATTENDING THE MEETING, THAT EACH DIRECTOR REVIEWED THE REPORT AND THE
38 CHAIRMAN OR THE PRESIDENT SHALL FILE A RESPONSE TO THE REPORT THAT DESCRIBES
39 THE BOARD'S RESPONSES TO THE EXAMINERS' RECOMMENDATIONS, INCLUDING ANY
40 REMEDIES FOR VIOLATIONS OF THIS TITLE.

1 D. UNLESS THE SUPERINTENDENT EXCUSES A TRUST COMPANY FROM FILING A
2 RESPONSE, THE TRUST COMPANY SHALL FILE A RESPONSE TO THE REPORT OF
3 EXAMINATION WITHIN FORTY DAYS AFTER THE TRUST COMPANY RECEIVES THE REPORT.
4 A TRUST COMPANY THAT FAILS TO FILE A TIMELY RESPONSE OR THAT IS NOT EXCUSED
5 FROM FILING A TIMELY RESPONSE SHALL PAY A PENALTY TO THE DEPARTMENT. THE
6 DEPARTMENT SHALL ASSESS A PENALTY OF ONE HUNDRED DOLLARS OR LESS FOR EACH DAY
7 OF THE DELINQUENCY.

8 6-870. Trust committee

9 A. THE BOARD OF DIRECTORS MAY APPOINT A TRUST COMMITTEE. THE TRUST
10 COMMITTEE SHALL BE COMPRISED SOLELY OF DIRECTORS, OFFICERS, EMPLOYEES OR ANY
11 COMBINATION THEREOF. THE COMMITTEE MAY BE AUTHORIZED TO ACT FOR THE COMPANY
12 IN MATTERS DEALING WITH THE INITIAL AND ANNUAL REVIEWS OF ACCOUNTS, ACCOUNT
13 ACCEPTANCE AND INVESTMENT STRATEGIES. THE TRUST COMMITTEE SHALL KEEP A
14 RECORD OF ITS ACTIONS AND SHALL REPORT IN WRITING TO THE BOARD ON ALL ACTIONS
15 SINCE THE PREVIOUS BOARD MEETING. THE BOARD SHALL RATIFY OR RESCIND EACH
16 ACTION.

17 B. THE TRUST COMMITTEE SHALL MEET AT LEAST ONCE A MONTH TO REVIEW
18 EXISTING ACCOUNTS AND TO CONSIDER ACCEPTANCE OF NEW ACCOUNTS. THE TRUST
19 COMMITTEE SHALL NOT ACCEPT A NEW ACCOUNT UNLESS IT IS APPROVED BY A MAJORITY
20 OF THE MEMBERS OF THE TRUST COMMITTEE PRESENT AT THE MEETING IN WHICH THE NEW
21 ACCOUNT IS CONSIDERED.

22 6-870.01. Acceptance of other examinations; cooperative
23 agreements

24 A. INSTEAD OF AN EXAMINATION PRESCRIBED BY SECTION 6-122, THE
25 SUPERINTENDENT MAY ACCEPT THE EXAMINATION REPORT OF A FEDERAL OR STATE AGENCY
26 THAT HAS REGULATORY OR SUPERVISORY AUTHORITY OVER THE TRUST COMPANY. THE
27 SUPERINTENDENT'S ACCEPTANCE OF THE EXAMINATION REPORT DOES NOT CONSTITUTE A
28 WAIVER OF THE LICENSING FEES AND ASSESSMENTS PROVIDED BY LAW. AN ACCEPTED
29 EXAMINATION REPORT BECOMES AN OFFICIAL REPORT OF THE DEPARTMENT.

30 B. THE SUPERINTENDENT MAY ENTER INTO COOPERATIVE AGREEMENTS AND TAKE
31 JOINT ACTION WITH OTHER REGULATORY OR SUPERVISORY AUTHORITIES THAT HAVE
32 CONCURRENT JURISDICTION OVER A TRUST COMPANY.

33 6-870.02. Prohibited acts

34 A. A TRUST COMPANY SHALL NOT PERMIT A PERSON, OTHER THAN A DIRECTOR,
35 OFFICER, AGENT OR EMPLOYEE OF THE TRUST COMPANY OR THE LEGAL OR BENEFICIAL
36 OWNER OF THE TRUST FUNDS OR THE AUTHORIZED REPRESENTATIVE OF THE OWNER, TO
37 ACCESS, EXAMINE OR INSPECT THE FIDUCIARY RECORDS OF THE TRUST COMPANY.

38 B. A TRUST COMPANY SHALL NOT MAKE A LOAN TO OR MAKE OTHER USE OF
39 MONIES FROM A FIDUCIARY ACCOUNT TO OR FOR THE BENEFIT OF ANOTHER FIDUCIARY
40 ACCOUNT UNLESS THE TRANSACTION IS AUTHORIZED BY A COURT ORDER OR A GOVERNING
41 INSTRUMENT OF THE FIDUCIARY ACCOUNT OR ITS AMENDMENTS FROM WHICH THE LOAN OR
42 USE OF MONIES IS MADE.

43 C. A DIRECTOR, OFFICER, AGENT OR EMPLOYEE OF A TRUST COMPANY SHALL
44 NOT:

1 1. KNOWINGLY MAKE OR PUBLISH, OR CONCUR IN MAKING OR PUBLISHING, A
2 WRITTEN REPORT, EXHIBIT OR STATEMENT OF THE TRUST COMPANY'S AFFAIRS OR
3 FINANCIAL CONDITION CONTAINING ANY MATERIAL STATEMENT THAT IS FALSE.

4 2. WILFULLY REFUSE OR NEGLECT TO MAKE A PROPER ENTRY IN THE TRUST
5 COMPANY'S BOOKS, WILFULLY REFUSE OR NEGLECT TO EXHIBIT THE TRUST COMPANY'S
6 BOOKS TO THE DEPARTMENT OR ALLOW THE DEPARTMENT TO INSPECT OR EXTRACT THE
7 TRUST COMPANY'S BOOKS.

8 3. KNOWINGLY MAKE A MATERIAL FALSE PROMISE OR STATEMENT OR A MATERIAL
9 MISREPRESENTATION TO THE DEPARTMENT OR TO A LEGAL OR BENEFICIAL OWNER OF
10 TRUST FUNDS OR AN AUTHORIZED REPRESENTATIVE OF THE OWNER IN THE COURSE OF THE
11 TRUST BUSINESS.

12 4. KNOWINGLY CONCEAL AN ESSENTIAL OR MATERIAL FACT FROM THE DEPARTMENT
13 OR A LEGAL OR BENEFICIAL OWNER OF THE TRUST FUNDS OR AN AUTHORIZED
14 REPRESENTATIVE OF THE OWNER IN THE COURSE OF THE TRUST BUSINESS.

15 D. A TRUST COMPANY SHALL NOT DIRECTLY OR INDIRECTLY USE FUNDS FROM A
16 FIDUCIARY ACCOUNT FOR THE BENEFIT OF ANY OFFICER, DIRECTOR OR EMPLOYEE OF THE
17 TRUST COMPANY OR ANY INDIVIDUAL WITH WHOM THERE EXISTS A CONNECTION, OR
18 ORGANIZATION IN WHICH THERE EXISTS AN INTEREST, AS MIGHT AFFECT THE EXERCISE
19 OF THE BEST JUDGMENT OF THE TRUST COMPANY IN PERFORMING ITS FIDUCIARY DUTIES,
20 UNLESS THE TRANSACTION IS AUTHORIZED BY A COURT ORDER OR A GOVERNING
21 INSTRUMENT OF THE FIDUCIARY ACCOUNT.

22 E. A TRUST COMPANY SHALL NOT CHARGE A FEE EXCEPT IN ACCORDANCE WITH
23 A GOVERNING INSTRUMENT OR ITS AMENDMENTS, A COURT ORDER OR A WRITTEN
24 COMMUNICATION.

25 F. A TRUST COMPANY SHALL NOT REFUSE TO DISCLOSE TO THE PUBLIC A
26 GENERAL STATEMENT OF THE TRUST COMPANY'S FINANCIAL CONDITION AND ITS ASSETS
27 AND LIABILITIES OR THE LAST REPORT OF FINANCIAL CONDITION SUBMITTED TO THE
28 SUPERINTENDENT PURSUANT TO SECTION 6-861.

29 G. A PERSON SHALL NOT RECEIVE COMPENSATION FOR ENGAGING IN THE TRUST
30 BUSINESS IF THE PERSON IS NOT LICENSED OR EXEMPT FROM LICENSING PURSUANT TO
31 THIS ARTICLE.

32 H. A DIRECTOR, OFFICER, AGENT OR EMPLOYEE OF THE TRUST COMPANY WHO
33 KNOWINGLY VIOLATES THIS ARTICLE IS LIABLE FOR THE DAMAGES THE TRUST COMPANY
34 OR THE LEGAL OR BENEFICIAL OWNERS OF THE TRUST FUNDS SUSTAIN BECAUSE OF THE
35 VIOLATION. A DIRECTOR, OFFICER, AGENT OR EMPLOYEE IS INDIVIDUALLY LIABLE FOR
36 THE AMOUNT OF A LOSS OF TRUST FUNDS IF THE DIRECTOR, OFFICER, AGENT OR
37 EMPLOYEE KNOWINGLY PARTICIPATES IN AN ILLEGAL ACTIVITY WHICH RESULTS IN A
38 LOSS OF TRUST FUNDS. A DIRECTOR OR OFFICER OF A TRUST COMPANY WHO MEETS THE
39 STANDARDS OF CONDUCT PRESCRIBED BY SECTION 10-830 OR 10-842 SHALL NOT BE
40 LIABLE FOR ANY LOSS TO THE COMPANY OR TO THE LEGAL OR BENEFICIAL OWNERS OF
41 THE TRUST FUNDS AND SHALL BE ENTITLED TO INDEMNIFICATION TO THE EXTENT
42 PERMITTED BY SECTIONS 10-850 THROUGH 10-858.

1 Sec. 13. Title 6, chapter 8, Arizona Revised Statutes, is amended by
2 adding article 3, to read:

3 ARTICLE 3. AUTHORIZATION TO ACCEPT
4 SAVINGS ACCOUNTS AND TIME DEPOSITS

5 6-881. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "SAVINGS ACCOUNT" MEANS MONIES RECEIVED OR HELD BY THE TRUST
8 COMPANY IN THE USUAL COURSE OF BUSINESS AND FOR WHICH THE TRUST COMPANY IS
9 OBLIGATED TO GIVE CONDITIONAL OR UNCONDITIONAL CREDIT.

10 2. "TIME DEPOSIT" MEANS A DEPOSIT THAT THE DEPOSITOR DOES NOT HAVE A
11 RIGHT TO WITHDRAW FOR AT LEAST SEVEN DAYS AFTER THE DATE OF DEPOSIT.

12 6-882. Savings accounts and time deposits; insurance;

13 withdrawal; notice

14 A. IF AUTHORIZED BY THE ARTICLES OF INCORPORATION AND BYLAWS AND IF
15 APPROVED BY THE SUPERINTENDENT, A TRUST COMPANY MAY RECEIVE MONIES FOR THE
16 PURPOSE OF MAINTAINING SAVINGS ACCOUNTS AND TIME DEPOSITS. THE TRUST COMPANY
17 MAY PAY INTEREST ON THE SAVINGS ACCOUNTS AND TIME DEPOSITS AND MAY PRESCRIBE
18 TERMS AND CONDITIONS THAT ARE CONSISTENT WITH THE REQUIREMENTS OF THE
19 FEDERAL DEPOSIT INSURANCE CORPORATION.

20 B. BEFORE OFFERING SAVINGS ACCOUNTS AND TIME DEPOSITS THE BOARD OF
21 DIRECTORS SHALL APPROVE THE ACTION BY A WRITTEN RESOLUTION THAT SPECIFIES THE
22 WRITTEN DOCUMENTS TO BE ISSUED REPRESENTING THE SAVINGS ACCOUNTS AND TIME
23 DEPOSITS. THE BOARD SHALL SUBMIT:

24 1. A CERTIFIED COPY OF THE APPROVING RESOLUTION TO THE SUPERINTENDENT.

25 2. COPIES OF THE WRITTEN DOCUMENTS TO THE SUPERINTENDENT FOR APPROVAL
26 BY THE SUPERINTENDENT.

27 C. THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ITS SUCCESSOR SHALL
28 INSURE ALL SAVINGS ACCOUNTS AND TIME DEPOSITS HELD BY A TRUST COMPANY. A
29 TRUST COMPANY SHALL IMMEDIATELY NOTIFY THE SUPERINTENDENT WHEN THE TRUST
30 COMPANY APPLIES TO THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ITS SUCCESSOR
31 FOR DEPOSIT INSURANCE. UNTIL FINAL DISPOSITION OF THE APPLICATION FOR
32 DEPOSIT INSURANCE, THE TRUST COMPANY SHALL SUBMIT MONTHLY REPORTS TO THE
33 SUPERINTENDENT SPECIFYING THE STATUS OF THE APPLICATION.

34 D. A TRUST COMPANY MAY REQUIRE THE HOLDER OF A SAVINGS ACCOUNT TO GIVE
35 THE TRUST COMPANY WRITTEN NOTICE AT LEAST SEVEN DAYS BEFORE AN INTENDED
36 WITHDRAWAL THAT IS NOT PAYABLE ON A SPECIFIED DATE OR AT THE EXPIRATION OF
37 A SPECIFIED TIME AFTER THE DATE OF DEPOSIT.

38 E. A TRUST COMPANY MAY ISSUE A TRANSFERABLE, NONTRANSFERABLE,
39 NEGOTIABLE OR NONNEGOTIABLE CERTIFICATE, INSTRUMENT, PASSBOOK OR STATEMENT
40 REPRESENTING A TIME DEPOSIT OR SAVINGS ACCOUNT.

1 Sec. 14. Presently certified trust companies

2 A trust company possessing a certificate on January 1, 1996 has three
3 years from the effective date of this act to comply with section 6-856,
4 Arizona Revised Statutes, as amended by this act. Every year after the
5 effective date of this act, the trust company shall increase its liquid
6 capital by at least thirty-three and one-third per cent of that portion of
7 its capital that is not liquid.

8 Sec. 15. Delayed repeal

9 Section 14 of this act is repealed from and after December 31, 1999.

APPROVED BY THE GOVERNOR APRIL 18, 1996

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 19, 1996