

ORIGINAL HOUSE
BILL NO. HB0006

ENROLLED ACT NO. 2, HOUSE OF REPRESENTATIVES

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2021 GENERAL SESSION

AN ACT relating to trust companies; establishing procedures for mergers and acquisitions of supervised trust companies; authorizing supervised trust company branching related to mergers and acquisitions; amending the composition of the state banking board to include public trust company members; amending the definition of "trust company"; amending other trust company definitions; authorizing bankruptcy filing requirements; amending applicability of organization requirements; amending meeting requirements for chartered family trust companies; authorizing rulemaking; and providing for an effective date.

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

Section 1. W.S. 13-5-426 is created to read:

13-5-426. Mergers and acquisitions of supervised trust companies.

(a) As used in this section:

(i) "Consummation" means the moment when a merger or acquisition becomes effective;

(ii) "Former trust company" means a trust company or business entity that will cease operations after a merger or acquisition;

(iii) "Resulting trust company" means the trust company or business entity that will continue operations after a merger or acquisition under an existing trust company charter or other authority to operate as specified by the laws of another state;

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(iv) "Supervised trust company" means as defined by W.S. 13-5-301(a)(xv) and shall include a trust company substantially similar to a supervised trust company that is chartered or otherwise operating under the laws of another state, as determined by rule of the commissioner.

(b) A supervised trust company seeking to acquire or merge with another trust company, including a trust company chartered or otherwise operating under the laws of another state shall acquire or merge with another trust company as provided by this section.

(c) A supervised trust company that is proposed to become a resulting trust company after a merger or acquisition pursuant to subsection (b) of this section shall apply for a certificate of merger or acquisition not less than seventy-five (75) days before the proposed consummation date. The commissioner may conduct an investigation, examination or hearing into the application as the commissioner deems necessary. The commissioner shall approve or deny the application not later than sixty (60) days after receipt of the application.

(d) An application filed under subsection (c) of this section shall include the following information in a form determined by the commissioner:

(i) Information relating to the character of the parties to the proposed merger or acquisition, including current business operations, organizational structure, management, affiliations and any pending judicial or administrative proceedings;

(ii) The financial statements of all parties to the proposed merger or acquisition for each of the parties'

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current fiscal year and each of the four (4) preceding fiscal years;

(iii) The final plan, terms and conditions of the merger or acquisition;

(iv) All records and certifications required by subsection (f) of this section;

(v) A description of any proposed material changes to the former trust company and resulting trust company, including business operations, structure, management, affiliations, name or location, including any contemplated liquidation, asset sales or further mergers or acquisitions;

(vi) The identification of any person compensated to make solicitations or recommendations related to the proposed merger or acquisition, except for any person who provides legal advice related to the merger or acquisition;

(vii) Copies of all invitations, tenders or advertisements making a tender offer for the purchase of stock or ownership positions related to the proposed merger or acquisition;

(viii) The source of funds for the proposed merger or acquisition, including any terms and conditions related to those funds;

(ix) Any other information material to the proposed merger or acquisition that the commissioner requests or requires.

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(e) The commissioner shall approve or deny an application filed under this section upon consideration of the following factors, if applicable:

(i) The projected impact of the proposed merger or acquisition on competition for trust company business in Wyoming;

(ii) Whether the proposed merger or acquisition would prejudice the interests of trust company customers;

(iii) The character and financial status of the parties to the proposed merger or acquisition, including the resulting trust company;

(iv) Whether the proposed merger or acquisition, once completed, would comply with all applicable laws;

(v) The results of any investigation, examination, hearing or request for information conducted as provided by this section.

(f) Before filing an application under this section, the terms and conditions of the acquisition or the plan of merger shall be approved and documented in writing by the shareholders or members and the board of directors or managers of each trust company participating in the merger or acquisition. Approval for the terms and conditions or plan of merger shall be sought as required by the governing documents of each trust company and other applicable law. The appropriate officers of each trust company shall certify compliance with this subsection with the commissioner.

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(g) Upon approval of a merger or acquisition by the commissioner and upon consummation of the merger or acquisition:

(i) A former trust company shall surrender its charter and, if required by the commissioner, dissolve the underlying business entity and take all other necessary related actions, including those in accordance with the approved final plan of merger or acquisition. If a former trust company is chartered or otherwise operating under the laws of another state, the former trust company shall take all actions required by the laws of that state;

(ii) The resulting trust company shall assume the assets and liability of the former trust company without further action, except as provided by the final plan, terms and conditions of the acquisition or merger;

(iii) Unless otherwise specified in a customer agreement, by the terms and conditions of the acquisition or merger or other applicable law, the resulting trust company shall become the successor trustee of all customer accounts of the former trust company;

(iv) The resulting trust company may conduct trust company business and other permissible activities under the laws of Wyoming to the same extent as the former trust company;

(v) The resulting trust company may use the name of a former trust company or may select a new name. The resulting trust company shall notify the commissioner of the name it selects;

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(vi) Any reference to a former trust company in a writing shall be considered a reference to the resulting trust company if not otherwise inconsistent with the writing and the laws of Wyoming;

(vii) The resulting trust company shall file the certificate of merger or acquisition with the secretary of state.

(h) A resulting trust company shall not maintain more than two (2) trust company branches in other states after consummation of a merger or acquisition.

(j) The commissioner shall adopt any rules necessary to implement the provisions of this section.

Section 2. W.S. 13-1-604(b), 13-5-301(a)(xvi), 13-5-417 by creating a new subsection (f), 13-5-501 by creating a new subsection (e), 13-5-603 by creating a new subsection (e) and 13-5-604 by creating a new subsection (b) are amended to read:

13-1-604. State banking board created; purpose; membership; appointment; qualifications; term of office.

(b) The state banking board shall consist of ~~seven (7)~~ eight (8) members who shall be appointed by the governor. The director shall serve as an ex officio member of the board. Of the appointed members, ~~four (4)~~ five (5) shall be officers or directors of state or national banks ~~chartered under the laws of~~ domiciled in Wyoming, one (1) member shall be an officer or director of ~~national banks chartered under the laws of the United States and authorized to do business in Wyoming~~ a public trust company as defined by W.S. 13-5-301(a)(xiv), and two (2) members

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shall be residents of Wyoming who are not ~~an officer or director~~ officers, directors or employees of any bank or public trust company. No member of the banking board shall have any interest, directly or indirectly, in a bank or public trust company in which any other member of the banking board has any interest. Any member of the board who ceases to have the qualifications for which the member was appointed shall be disqualified to serve and a vacancy shall occur.

13-5-301. Definitions.

(a) As used in this chapter:

(xvi) "Trust company" means a corporation or limited liability company that is incorporated or organized in this state or a foreign corporation or limited liability company that is qualified to do business in this state ~~as a trust company~~ and that is engaged in trust company business;

13-5-417. Insolvency; unsafe condition; receivership.

(f) If determined by the commissioner to be in the best interests of both the state and the supervised trust company, the commissioner may require the supervised trust company to file a petition under title 11 of the United States Code in lieu of a receivership under this section.

13-5-501. Formation and organizational instrument.

(e) This section shall not apply to a foreign corporation or foreign limited liability company that is qualified to do business in this state and that applies for a charter under this article.

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13-5-603. Organization of a chartered family trust company.

(e) This section shall not apply to a foreign corporation or foreign limited liability company that is qualified to do business in this state and that applies for a charter under this article.

13-5-604. Requirements for chartered family trust company.

(b) The board of directors or managers of a chartered family trust company shall hold regular meetings not less than one (1) time each year. The commissioner may require a chartered family trust company to hold in-person or electronic meetings on a more frequent basis. A chartered family trust company shall maintain records of all proceedings.

Section 3. This act is effective July 1, 2021.

(END)