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LC 0699

House BILL NO. 424 1 2 INTRODUCED BY 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE SUBSIDIARY 4 TRUST COMPANIES TO HAVE ONE OR MORE TRUST OFFICES; TO 5 AUTHORIZE CERTAIN BANKS TO MAINTAIN ONE OR MORE TRUST 6 SUBSTITUTION IN FIDUCIARY OFFICES: TO PROVIDE FOR 7 CAPACITIES; TO AMEND SECTION 86-905, R.C.M. 1947; AND TO 8 PROVIDE AN IMMEDIATE EFFECTIVE DATE." 9

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. This act may be cited as "The
 Subsidiary Trust Company Act of 1975".

Section 2. Definitions. As used in this act: (1) 14 "subsidiary trust company" means any corporation which is 15 incorporated under the banking laws of this state and any 16 national banking association having its main office in this 17 state more than fifty percent (50%) of the voting stock of 18 which is owned by an owning bank holding company and which 19 20 has as its purposes any one or more of the purposes described in section 5-106, except that a subsidiary trust 21 company may not be empowered to accept deposits except those 22 deposits incidental to its trust business. 23

24 (2) "affiliated bank" with respect to a subsidiary25 trust company, means any bank incorporated under the laws of

this state and any national banking association having its
 main office in this state more than fifty percent (50%) of
 the voting stock of which is owned by the same owning bank
 holding company that owns more than fifty percent (50%) of
 the voting stock of the subsidiary trust company.

6 (3) "affiliated bank" with respect to another bank 7 which is not a subsidiary trust company, means any bank incorporated under the laws of this state and any national 8 banking association having its main office located in this 9 state more than fifty percent (50%) of the stock of which is 10 11 owned by the same owning bank holding company that owns more than fifty percent (50%) of the voting stock of such other 12 13 bank.

(4) "owning bank holding company", with respect to a
subsidiary trust company or an affiliated bank, means a bank
holding company as defined in the United States Bank Holding
Company Act of 1956, as amended.

18 (5) "main office", with respect to a subsidiary trust 19 company or an affiliated bank, is the place designated in 20 the articles of incorporation or articles of association of 21 that subsidiary trust company or affiliated bank at which 22 its principal functions are to be conducted.

(6) "trust office", with respect to a subsidiary trust
company, means an office, including the main office, of the
subsidiary trust company maintained for the purpose of

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1 conducting its business.

(7) "trust office", with respect to a bank which is
not a subsidiary trust company, means an office other than
the main office of that bank maintained solely for the
purpose of conducting trust business as described in section
4.

7 (8) "fiduciary capacity" means a capacity resulting 8 from a bank undertaking to act alone or jointly with others 9 primarily for the benefit of another in all matters 10 connected with its undertaking and includes the capacities of trustee (including trustee of a common trust fund), 11 12 executor, administrator, personal representative, registrar 13 or transfer agent with respect to stocks, bonds or other 14 evidences of indebtedness of any corporation, association, 15 municipality, state or public authority, guardian or 16 estates, receiver, conservator, escrow agent, agent for the 17 investment of money, attorney-in-fact and any other similar 18 capacity.

19 Section 3. Organization of subsidiary trust companies.
20 A subsidiary trust company shall be incorporated under the
21 laws of this state in accordance with, and subject to, the
22 provisions of chapter 2 of Title 5, R.C.M. 1947, or under
23 the laws of the United States. To the extent not
24 inconsistent with the provisions of this chapter, any
25 subsidiary trust company incorporated under the laws of this

state shall be subject to the laws of this state generally
 applicable to trust companies. A subsidiary trust company
 formed under the laws of the United States, shall be
 subject, to the extent provided by the laws of the United
 States, to the laws of this state applicable to subsidiary
 trust companies incorporated under the laws of this state.

7 Section 4. Permissible business of subsidiary trust 8 companies. The permissible business of a subsidiary trust 9 company shall be to engage in trust business as may be 10 engaged in by a trust company under section 5-106 and 11 business incidental thereto. A subsidiary trust company 12 shall accept only those deposits incidental to the trust 13 business conducted by it.

14 Section 5. Trust offices of subsidiary trust 15 companies, Notwithstanding the provisions of section 5-1028, 16 a subsidiary trust company may have a trust office at any 17 one or more locations in this state in the same building with the main office of any affiliated bank, but not 18 19 elsewhere.

Section 6. Trust offices 20 of affiliated banks. Notwithstanding the provisions of section 5-1028, a bank 21 22 having trust powers may be authorized by the department of 23 business regulation or by the comptroller of the currency, 24 in the case of a national banking association, to maintain a 25 trust office at any one or more locations in this state in

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the same building with the main office of any affiliated
 bank.

3 Section 7. Transfer of fiduciary relationships from 4 affiliated banks to subsidiary trust companies. (1) Upon 5 authorization of any subsidiary trust company to commence the business for which it is organized, that subsidiary 6 7 trust company may file an application in the district court of the county in which its main office is located requesting 8 that it be substituted, except as may be expressly excluded 9 10 in the application, in every fiduciary capacity for each of 11 its affiliated banks specified in the application, and each 12 such specified affiliated bank shall join in the application. Upon finding that the subsidiary trust company 13 is authorized to commence the business for which it is 14 15 organized by the department of business regulation, or the comptroller of the currency if the subsidiary trust company 16 17 is a national banking association, the district court shall enter an order substituting the subsidiary trust company in 18 19 every fiduciary capacity for each of its specified affiliated banks, except as may be otherwise specified in 20 the application. The application may be made ex parte and 21 22 need not list the fiduciary capacities in which substitution is made. Upon entry of this order, the subsidiary trust 23 company shall be substituted, in every such fiduciary 24 25 capacity, and the substitution may be evidenced by filing a

copy of the order with the clerk of any district court in
 this state or by delivery for recording a copy of the order
 to the clerk and recorder of any county in this state. That
 officer shall index the order as other recorded orders and
 decrees are indexed.

6 (2) Each prior or succeeding designation in a will or 7 other instrument executed by a bank as fiduciary shall be 8 considered a designation of the subsidiary trust company substituted for that bank under this section, except where a 9 10 will or other instrument is executed after the above 11 substitution and it expressly negates the application of 12 this section. Any grant in any such will or other 13 instrument of any discretionary power shall be considered 14 conferred upon the subsidiary trust company considered 15 designated as the fiduciary under this section.

16 (3) A bank shall account jointly with the subsidiary 17 trust company which has been substituted as fiduciary for 18 that bank under this section for the accounting period 19 during which the subsidiary trust company is initially substituted. Upon substitution under this section, the bank 20 21 shall deliver to the subsidiary trust company all assets 22 held by the bank as fiduciary (except assets held for 23 accounts with respect to which there has been no 24 substitution under this section) and upon this substitution 25 all those assets shall become the property of the subsidiary

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trust company without the necessity of any instrument of
 transfer or conveyance.

Section 8. Transfer of fiduciary relationships between 3 4 affiliated banks. (1) Any bank which has received 5 approval, under section 6, to maintain a trust office in the 6 same building with the main office of any affiliated bank, 7 may file an application in the district court in which its 8 main office is located, requesting that it be substituted, 9 except as may be expressly excluded in the application, in 10 every fiduciary capacity for the affiliated bank, and that 11 affiliated bank shall join in the application. Upon finding that the bank filing an application has received the 12 13 requisite approval from the department of business regulation or the comptroller of the currency, the district 14 15 court shall enter an order substituting the bank in every 16 fiduciary capacity for this affiliated bank, except as may be otherwise specified in the application. Such application 17 18 may be made ex parte and need not list the figuriary 19 capacities in which substitution is made. Upon entry of 20 this order, the bank shall be substituted, without further act, in every such fiduciary capacity, and the substitution 21 may be evidenced by filing a copy of the order with the 22 23 clerk of any district court in this state or by delivery for 24 recording a copy of the order to the clerk and recorder of any county in this state. That officer shall index the 25

1 order as other recorded orders and decrees are indexed.

2 (2) Each prior or succeeding designation in a will or 3 other instrument executed by a bank as fiduciary shall be considered a designation of the affiliated bank substituted 4 for that bank under this section, except where a will or 5 6 other instrument is executed after the above substitution 7 and expressly negates the application of this section. Any 8 grant in any such will or other such instrument of any 9 discretionary power shall be considered conferred upon the 10 affiliated bank considered designated as the fiduciary under 11 this section.

(3) A bank shall account jointly with the affiliated 12 13 bank which has been substituted as fiduciary for that bank 14 under this section for the accounting period during which 15 the affiliated bank is initially substituted. Upon 16 substitution under this section, the bank for which 17 substitution has been made shall deliver to the affiliated 18 bank all assets held by the bank as fidiciary (except assets held for accounts with respect of which there has been no 19 20 substitution under this section) and upon this substitution all those assets shall become the property of the affiliated 21 bank without the necessity of any instrument or transfer of 22 23 conveyance.

24 Section 9. Section 86-905, R.C.M. 1947, is amended to 25 read as follows:

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1 "86-905. Transfer of office prohibited. The Except as 2 provided in sections [7 and 8 of this act], the trustee 3 shall not transfer his office to another or delegate the 4 entire administration of the trust to a co-trustee or 5 another."

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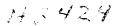
6 Section 10. Effective date. This act is effective on
7 its passage and approval.

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Approved by Committee on Judiciary

HOUSE BILL NO. 424 1 INTRODUCED BY JAMES MOORE, FABREGA 2 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE SUBSIDIARY -5 TRUST COMPANIES TO HAVE ONE OR MORE TRUST OFFICES; TO AUTHORIZE CERTAIN BANKS TO MAINTAIN ONE OR MORE TRUST 6 FOR SUBSTITUTION OFFICES: TO PROVIDE IN FIDUCIARY 7 8 CAPACITIES: TO AMEND SECTION 86-905, R.C.M. 1947; AND TO PROVIDE AN IMMEDIATE EFFECTIVE DATE." 9 10 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 Section 1. Short title. This act may be cited as "The 13 Subsidiary Trust Company Act of 1975". 14 Section 2. Definitions. As used in this act: (1)15 "subsidiary trust company" means any corporation which is 16 incorporated under the banking laws of this state and any 17 national banking association having its main office in this state more than fifty percent (50%) of the voting stock of 13 which is owned by an owning bank holding company and which 19 20 has as its purposes any one or more of the purposes 21 described in section 5-106, except that a subsidiary trust 22 company may not be empowered to accept deposits except those 23 deposits incidental to its trust business.

24 (2) "affiliated bank" with respect to a subsidiary25 trust company, means any bank incorporated under the laws of

SECOND READING

1 this state and any national banking association having its 2 main office in this state more than fifty percent (50%) of 3 the voting stock of which is owned by the same owning bank holding company that owns more than fifty percent (50%) of 4 5 the voting stock of the subsidiary trust company. 6 (3) "affiliated bank" with respect to another bank 7 which is not a subsidiary trust company, means any bank incorporated under the laws of this state and any national 8 9 banking association having its main office located in this 10 state more than fifty percent (50%) of the stock of which is 11 owned by the same owning bank holding company that owns more 12 than fifty percent (50%) of the voting stock of such other 13 bank. 14 (4) "owning bank holding company", with respect to a

14 (4) "owning bank holding company", with respect to a
15 subsidiary trust company or an affiliated bank, means a bank
16 holding company as defined in the United States Bank Holding
17 Company Act of 1956, as amended.

18 (5) "main office", with respect to a subsidiary trust 19 company or an affiliated bank, is the place designated in 20 the articles of incorporation or articles of association of 21 that subsidiary trust company or affiliated bank at which 22 its principal functions are to be conducted.

23 (6) "trust office", with respect to a subsidiary trust
 24 company, means an office, including the main office, of the
 25 subsidiary trust company maintained for the purpose of
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1 conducting its business.

2 (7) "trust office", with respect to a bank which is 3 not a subsidiary trust company, means an office other than the main office of that bank maintained solely for the 4 5 purpose of conducting trust business as described in section 6 4.

7 (8) "fiduciary capacity" means a capacity resulting 8 from a bank undertaking to act alone or jointly with others 9 primarily for the benefit of another in all matters 10 connected with its undertaking and includes the capacities 11 of trustee (including trustee of a common trust fund), 12 executor, administrator, personal representative, registrar 13 or transfer agent with respect to stocks, bonds or other 14 evidences of indebtedness of any corporation, association, 15 municipality, state or public authority, guardian or OF 16 estates, receiver, conservator, escrow agent, agent for the 17 investment of money, attorney-in-fact and any other similar 18 capacity.

19 Section 3. Organization of subsidiary trust companies. 20 A subsidiary trust company shall be incorporated under the 21 laws of this state in accordance with, and subject to, the 22 provisions of chapter 2 of Title 5, R.C.M. 1947, or under 23 the laws of the United States. To the extent not 24 inconsistent with the provisions of this chapter, any subsidiary trust company incorporated under the laws of this 25 -3-HB 424

state shall be subject to the laws of this state generally 1 applicable to trust companies. A subsidiary trust company 2 3 formed under the laws of the United States. shall be subject. to the extent provided by the laws of the United 4 5 States, to the laws of this state applicable to subsidiary 6 trust companies incorporated under the laws of this state. 7 Section 4. Permissible business of subsidiary trust 8 companies. The permissible business of a subsidiary trust 9 company shall be to enqage in SUCH trust business as may be 10 engaged in by a trust company under section 5-106 and SUCH 11 business AS IS incidental thereto. A subsidiary trust 12 company shall accept only those deposits incidental to the 13 trust business conducted by it. 14 Section 5. Trust offices of subsidiary trust 15 companies. Notwithstanding the provisions of section 5-1028, 16 a subsidiary trust company may have a trust office at any 17 one or more locations in this state in the same building 18 with the main office of any affiliated bank, but not 19 elsewhere. 20 Section 6. Trust offices of affiliated banks. Notwithstanding the provisions of section 5-1028, a bank

having trust powers may be authorized by the department of

business regulation or by the comptroller of the currency,

in the case of a national banking association, to maintain a

trust office at any one or more locations in this state in

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the same building with the main office of any affiliated

2 bank.

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3 Section-7--- Pransfer-of--fiduciary--relationships--from affiliated--banks--to-subsidiary-trust-companies---{l}--Upon 4 5 authorization-of-any-subsidiary-trust--company--to--commence 6 the--business--for--which--it--is-organizedy-that-subsidiary 7 trust-company-may-file-an-application-in-the-district--court 8 of-the-county-in-which-its-main-office-is-located-requesting 9 that--it-be-substitutedy-except-as-may-be-expressly-excluded 10 in-the-application-in-every-fiduciary-capacity-for-each--of 11 its--affiliated-banks-specified-in-the-application--and-each 12 such--specified--affiliated---bank---shall---ioin---in---the 13 14 is--authorized--to--commence--the--business--for-which-it-is 15 erganized-by-the-department-of-business-regulation-or--the 16 comptroller--of-the-currency-if-the-subsidiary-trust-company 17 is-a-mational-banking-associationy-the-district-court--shall 18 enter--an-order-substituting-the-subsidiary-trust-company-in 19 every--fiduciary--capacity--for--cach---of---its----specified 20 affiliated--banksy--except--as-may-be-otherwise-specified-in 21 the-application--The-application-may-be-made-ex--parte--and 22 need-not-list-the-fiduciary-capacities-in-which-substitution 23 is--made ---- Upon--entry--of-this-order,-the-subsidiary-trust 24 company--shall--be--substitutedy--in--every--such--fiduciary 25 capacity,--and-the-substitution-may-be-evidenced-by-filing-a -5-EB 424

1	copy-of-the-order-with-the-clerk-of-anydistrictcourtin
2	thisstate-or-by-delivery-for-recording-a-copy-of-the-order
3	to-the-elerk-and-recorder-of-any-county-in-this-stateThat
4	officer-shall-index-the-order-as-other-recordedordersand
5	decrees-are-indexed.
6	{2}Bachprior-or-succeeding-designation-in-a-will-or
7	other-instrument-executed-by-a-bank-asfiduciaryshallbe
8	consideredadesignationofthe-subsidiary-trust-company
9	substituted-for-that-bank-under-this-sectiony-except-where-a
10	willerotherinstrumentisexecutedaftertheabove
11	substitutionanditexpresslynegates-the-application-of
12	thissectionAnygrantinanysuchwillorother
13	instrumentofanydiscretionary-power-shall-be-considered
14	conferred-uponthesubsidiarytrustcompanyconsidered
15	designated-as-the-fiduciary-under-this-section.
16	{3}Abankshall-account-jointly-with-the-subsidiary
17	trust-company-which-has-been-substitutedasfiduciaryfor
18	thatbankunderthissectionforthe-accounting-period
19	during-whichthesubsidiarytrustcompanyisinitially
20	substituted
21	shalldolivertothesubsidiary-trust-company-all-assets
22	held-by-thebankasfidueiary{exceptassetsheldfor
23	accountswithrespecttowhichtherehasbeenno
24	substitution-under-this-section}-and-upon-thissubstitution
25	all-those-assets-shall-become-the-property-of-the-subsidiary
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1	trust-company-without-the-necessityofanyinstrumentof
2	transfer-or-conveyance:
3	SECTION 7. TRANSFER OF FIDUCIARY RELATIONSHIPS FROM
4	AFFILIATED BANKS TO SUBSIDIARY TRUST COMPANIES. (1) UPON
5	ANY SUBSIDIARY TRUST COMPANY BEING DULY AUTHORIZED TO
6	COMMENCE THE BUSINESS FOR WHICH IT IS ORGANIZED, SUCH
7	SUBSIDIARY TRUST COMPANY MAY FILE ITS VERIFIED APPLICATION
8	IN THE DISTRICT COURT OF THE COUNTY IN WHICH ITS MAIN OFFICE
9	IS LOCATED REQUESTING THAT IT BE SUBSTITUTED, EXCEPT AS MAY
10	BE EXPRESSLY EXCLUDED IN SUCH APPLICATION, IN EVERY
11	FIDUCIARY CAPACITY FOR EACH OF ITS AFFILIATED BANKS
12	SPECIFIED IN THE APPLICATION, AND EACH SUCH SPECIFIED
13	AFFILIATED BANK SHALL JOIN IN SUCH APPLICATION. SUCH
14	APPLICATION SHALL INDICATE THE COUNTY WHEREIN THE MAIN
15	OFFICE OF EACH AFFILIATED BANK JOINING IN THE APPLICATION IS
16	LOCATED AND SHALL DESIGNATE EACH FIDUCIARY ACCOUNT EXISTING
17	AT THE DATE THEREOF WITH RESPECT TO WHICH SUCH SUBSIDIARY
18	TRUST COMPANY REQUESTS SUBSTITUTION, BUT FIDUCIARY
19	CAPACITIES IN OTHER CASES NEED NOT BE LISTED. SUCH
20	APPLICATION SHALL ADDITIONALLY SET FORTH, WITH REGARD TO
21	EACH EXISTING FIDUCIARY ACCOUNT DESIGNATED THEREIN, THE NAME
22	AND ADDRESS LAST KNOWN TO THE APPLICANT OF EACH PERSON
23	ENTITLED TO MAILED NOTICE OF HEARING THEREON, TO WIT:
24	(A) IN THE CASE OF AN EXISTING FIDUCIARY ACCOUNT WHICH
25	MAY BE REVOKED, TERMINATED OR AMENDED, EACH PERSON WHO,
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1	ALONE OR TOGETHER WITH OTHERS, IS EMPOWERED TO REVOKE,
2	TERMINATE OR AMEND THE SAME;
3	(B) IN THE CASE OF AN EXISTING FIDUCIARY ACCOUNT WITH
4	RESPECT TO WHICH ANY PERSON OTHER THAN A COURT HAS THE POWER
5	TO REMOVE THE CORPORATE FIDUCIARY, EACH PERSON WHO, ALONE OR
6	TOGETHER WITH OTHERS, IS EMPOWERED TO REMOVE THE CORPORATE
7	FIDUCIARY;
8	(C) IN THE CASE OF AN EXISTING FIDUCIARY ACCOUNT WHICH
9	IS AN ESTATE OF A DECEASED PERSON OR WHICH IS A GUARDIANSHIP
10	OR CONSERVATORSHIP, TO THE CLERK OF THE COURT IN WHICH SUCH
11	ESTATE, GUARDIANSHIP OR CONSERVATORSHIP MATTER IS PENDING;
12	(D) IN THE CASE OF AN EXISTING FIDUCIARY ACCOUNT NOT
13	DESCRIBED IN ANY OF THE FOREGOING SUBPARAGRAPHS, TO EACH
14	INCOME BENEFICIARY OF SUCH ACCOUNT AND TO EACH BENEFICIARY
15	WHO, WERE SUCH ACCOUNT TERMINATED AT THE DATE OF THE
16	APPLICATION RESPECTING SUCH ACCOUNT, WOULD BE ENTITLED TO
17	SHARE IN DISTRIBUTIONS OF INCOME OR PRINCIPAL THEREOF; AND
18	(E) IN THE CASE OF ANY EXISTING FIDUCIARY ACCOUNT
19	WHEREIN AN AFFILIATED BANK SPECIFIED IN THE APPLICATION IS
20	ACTING WITH A CO-FIDUCIARY, TO EACH SUCH CO-FIDUCIARY AT HIS
21	LAST KNOWN ADDRESS.
2 2	(2) WHEN ANY SUCH APPLICATION SHALL HAVE BEEN FILED,
23	THE CLERK OF THE COURT WHERE FILED SHALL MAKE AN ORDER
24	FIXING A DATE AND TIME FOR HEARING THEREON AND GIVE NOTICE
25	THEREOF AS HEREINAFTER PROVIDED. THE CLERK OF COURT SHALL

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1	CAUSE A COPY OF SUCH NOTICE TO BE PUBLISHED AT LEAST ONCE A
2	WEEX FOR THREE (3) SUCCESSIVE WEEKS PRECEDING THE HEARING
3	DATE, THE FIRST SUCH PUBLICATION TO BE AT LEAST TWENTY-FIVE
4	(25) DAYS PRECEDING THE HEARING DATE, SUCH PUBLICATION TO BE
5	IN A NEWSPAPER OF GENERAL CIRCULATION PUBLISHED IN EACH
6	COUNTY IN WHICH THE MAIN OFFICE OF AN AFFILIATED BANK
7	SPECIFIED IN THE APPLICATION IS LOCATED, OR IF IN ANY CASE
8	THERE BE NO SUCH NEWSPAPER, THEN IN A NEWSPAPER OF GENERAL
9	CIRCULATION PUBLISHED IN A CONTIGUOUS COUNTY. IN ADDITION,
10	AT LEAST TWENTY-FIVE (25) DAYS PRECEDING THE HEARING DATE,
11	THE CLERK OF THE COURT SHALL CAUSE A COPY OF SUCH NOTICE TO
12	BE MAILED BY FIRST CLASS MAIL TO EACH PERSON IDENTIFIED IN
13	THE APPLICATION AS BEING ENTITLED TO MAILED NOTICE UNDER THE
14	PROVISIONS OF THIS ACT, AT HIS ADDRESS LAST KNOWN TO THE
15	APPLICANT AS SET FORTH IN THE APPLICATION.
16	(3) THE NOTICE TO BE PUBLISHED AND MAILED WITH RESPECT
17	TO EACH SUCH APPLICATION SHALL STATE THE TIME AND PLACE OF
18	THE HEARING THEREON, THE NAME OF THE SUBSIDIARY TRUST
19	COMPANY WHICH HAS FILED THE APPLICATION, THE NAME OF EACH
20	AFFILIATED BANK WHICH HAS JOINED IN SUCH APPLICATION, THAT
21	THE APPLICATION REQUESTS THAT THE SUBSIDIARY TRUST COMPANY
22	BE SUBSTITUTED IN EVERY FIDUCIARY CAPACITY FOR EACH OF ITS
23	AFFILIATED BANKS SPECIFIED IN THE APPLICATION, AND THAT ANY
24	PERSON BENEFICIALLY INTERESTED IN ANY AFFECTED FIDUCIARY
25	ACCOUNT MAY APPEAR ON OR BEFORE THE DATE OF HEARING AND FILE
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1	HIS WRITTEN OBJECTION TO SUCH SUBSTITUTION AS TO SUCH
2	AFFECTED FIDUCIARY ACCOUNT, AND SUCH NOTICE SHALL REFER TO
3	SUCH APPLICATION FOR FURTHER PARTICULARS.
4	(4) ON OR BEFORE THE DATE AND TIME OF HEARING ANY SUCH
5	APPLICATION, ANY PERSON BENEFICIALLY INTERESTED IN ANY
б	FIDUCIARY ACCOUNT AS TO WHICH SUBSTITUTION OF THE SUBSIDIARY
7	TRUST COMPANY IS REQUESTED, MAY APPEAR AND FILE OBJECTION TO
8	SUBSTITUTION ON THE SOLE GROUND THAT SUCH SUBSIDIARY TRUST
9	COMPANY IS UNFIT TO ACT WITH RESPECT TO SUCH ACCOUNT, AND
10	SHALL BE ENTITLED TO BE HEARD WITH RESPECT TO SUCH
11	OBJECTION.
12	(5) ON SUCH DATE OF HEARING, UPON FINDING THAT DUE
13	NOTICE HAS BEEN GIVEN AS REQUIRED BY THIS ACT AND UPON
14	FINDING THAT THE SUBSIDIARY TRUST COMPANY HAS BEEN DULY
15	AUTHORIZED TO COMMENCE THE BUSINESS FOR WHICH IT IS
16	ORGANIZED BY THE DEPARTMENT OF BUSINESS REGULATION, OR THE
17	COMPTROLLER OF THE CURRENCY IF THE SUBSIDIARY TRUST COMPANY
18	IS A NATIONAL BANKING ASSOCIATION, THE DISTRICT COURT SHALL
19	ENTER AN ORDER SUBSTITUTING THE SUBSIDIARY TRUST COMPANY IN
20	EVERY FIDUCIARY CAPACITY FOR EACH OF ITS SPECIFIED
21	AFFILIATED BANKS, EXCEPTING AS MAY BE OTHERWISE SPECIFIED IN
22	THE APPLICATION, AND EXCEPTING FIDUCIARY CAPACITIES IN ANY
23	ACCOUNT WITH RESPECT TO WHICH AN OBJECTION HAS BEEN FILED
24	PURSUANT TO THIS SECTION AND THE DISTRICT COURT HAS FOUND
25	FACTS REQUIRING THAT SUCH OBJECTION BE ALLOWED. UPON ENTRY
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1	OF SUCH ORDER, THE SUBSIDIARY TRUST COMPANY SHALL, WITHOUT
2	FURTHER ACT, BE SUBSTITUTED IN EVERY SUCH FIDUCIARY
3	CAPACITY. SUCH SUBSTITUTION MAY BE MADE A MATTER OF RECORD
4	IN ANY COUNTY OF THIS STATE BY FILING A CERTIFIED COPY OF
5	THE ORDER OF SUBSTITUTION IN THE OFFICE OF THE CLERK OF ANY
6	DISTRICT COURT IN THIS STATE OR BY FILING A CERTIFIED COPY
7	OF SUCH ORDER IN THE OFFICE OF THE CLERK AND RECORDER OF ANY
8	COUNTY IN THIS STATE TO BE BY SUCH OFFICER RECORDED AND
9	INDEXED IN LIKE MANNER AND WITH LIKE EFFECT AS OTHER ORDERS
10	AND DECREES OF COURT ARE RECORDED AND INDEXED.
11	(6) EACH DESIGNATION IN A WILL OR OTHER INSTRUMENT
12	HERETOFORE OR HEREAFTER EXECUTED OF A BANK AS FIDUCIARY
13	SHALL BE DEEMED A DESIGNATION OF THE SUBSIDIARY TRUST
14	COMPANY SUBSTITUTED FOR SUCH BANK PURSUANT TO THIS SECTION
15	EXCEPT WHERE SUCH WILL OR OTHER INSTRUMENT IS EXECUTED AFTER
16	SUCH SUBSTITUTION AND EXPRESSLY NEGATES THE APPLICATION OF
17	THIS SECTION. ANY GRANT IN ANY SUCH WILL OR OTHER
18	INSTRUMENT OF ANY DISCRETIONARY POWER SHALL BE DEEMED
19	CONFERRED UPON THE SUBSIDIARY TRUST COMPANY DEEMED
20	DESIGNATED AS THE FIDUCIARY PURSUANT TO THIS SECTION.
21	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE SUBSIDIARY
22	TRUST COMPANY WHICH HAS BEEN SUBSTITUTED AS FIDUCIARY FOR
23	SUCH BANK PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD
24	DURING WHICH THE SUBSIDIARY TRUST COMPANY IS INITIALLY SO
25	SUBSTITUTED. UPON SUBSTITUTION PURSUANT TO THIS SECTION,
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1	THE BANK SHALL DELIVER TO THE SUBSIDIARY TRUST COMPANY ALL
2	ASSETS HELD BY THE BANK AS FIDUCIARY (EXCEPT ASSETS HELD FOR
3	ACCOUNTS WITH RESPECT TO WHICH THERE HAS BEEN NO
4	SUBSTITUTION PURSUANT TO THIS SECTION) AND UPON SUCH
5	SUBSTITUTION ALL SUCH ASSETS SHALL BECOME THE PROPERTY OF
6	THE SUBSIDIARY TRUST COMPANY WITHOUT THE NECESSITY OF ANY
7	INSTRUMENT OF TRANSFER OR CONVEYANCE.
8	Section-8Transfer-of-fiduciary-relationships-between
9	affiliatedbanksbankwhichhasreceived
10	approval7-under-section-67-to-maintain-a-trust-office-in-the
11	samebuildingwith-the-main-office-of-any-affiliated-bank;
12	may-file-an-application-in-the-district-court-inwhichits
13	mainofficeis-locatedy-requesting-that-it-be-substitutedy
14	except-as-may-be-expressly-excluded-in-theapplication7in
15	everyfiduciarycapacity-for-the-affiliated-banky-and-that
16	affiliated-bank-shall-join-in-the-applicationUpon-finding
17	thatthebankfilinganapplicationhasreceivedthe
18	requisiteapprovalfromthedepartmentofbusiness
19	regulation-or-the-comptroller-of-the-currency7-thedistrict
20	courtshallenteran-order-substituting-the-bank-in-every
21	fiduciary-capacity-for-this-affiliated-banky-exceptasmay
22	be-otherwise-specified-in-the-applicationSuch-application
23	maybemadeexparteandneednotlist-the-fiduciary
24	capacities-in-which-substitution-ismade
25	thisorderythe-bank-shall-be-substitutedy-without-further

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2	maybeevidencedbyfilinga-copy-of-the-order-with-the
3	clerk-of-any-district-court-in-this-state-or-by-dclivery-for
4	recording-a-copy-of-the-order-to-the-clerk-andrecorderof
5	anycountyinthisstateThat-officer-shall-index-the
6	order-as-other-recorded-orders-and-decrees-are-indexed.
7	{2}Each-prior-or-succeeding-designation-in-a-willor
8	otherinstrumentexecutedby-a-bank-as-fiduciary-shall-be
9	considered-a-designation-of-the-affiliated-banksubstituted
10	forthatbankunderthis-sectiony-except-where-a-will-or
11	other-instrument-is-executed-aftertheabovesubstitution
12	andexpressly-negates-the-application-of-this-sectionAny
13	grant-in-any-such-willorothersuchinstrumentofany
14	discretionarypowershall-be-considered-conferred-upon-the
15	affiliated-bank-considered-designated-as-the-fiduciary-under
16	this-section.
17	(3)A-bank-shall-account-jointly-withtheaffiliated
13	bankwhichhas-been-substituted-as-fiduciary-for-that-bank
19	under-this-section-for-the-accountingperiodduringwhich
20	theaffiliatedbankisinitiallysubstituted Upon
21	substitutionunderthissection7thebankforwhich
22	substitutionhasbeen-made-shall-deliver-to-the-affiliated
23	bank-all-assets-held-by-the-bank-as-fidiciary-(except-assets
24	heid-for-accounts-with-respect-of-which-therehasbeenno
25	substitutionunder-this-section}-and-upon-this-substitution
	-13- НВ 424

acty-in-every-such-fiduciary-sapacityy-and-the--substitution

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l	all-those-assets-shall-become-the-property-of-the-affiliated
2	bank-without-the-necessity-of-any-instrument-or-transferof
3	conveyance.
4	SECTION 8. TRANSFER OF FIDUCIARY RELATIONSHIPS BETWEEN
5	AFFILIATED BANKS. (1) ANY BANK WHICH HAS RECEIVED APPROVAL,
6	PURSUANT TO SECTION 6 TO MAINTAIN A TRUST OFFICE IN THE SAME
7	BUILDING WITH THE MAIN OFFICE OF ANY AFFILIATED BANK MAY
8	FILE ITS VERIFIED APPLICATION IN THE DISTRICT COURT OF THE
9	COUNTY IN WHICH ITS MAIN OFFICE IS LOCATED REQUESTING THAT
10	IT BE SUBSTITUTED, EXCEPT AS MAY BE EXPRESSLY EXCLUDED IN
11	SUCH APPLICATION, IN EVERY FIDUCIARY CAPACITY FOR SUCH
12	AFFILIATED BANK, AND SUCH AFFILIATED BANK SHALL JOIN IN SUCH
13	APPLICATION. SUCH APPLICATION SHALL INDICATE THE COUNTY
14	WHEREIN THE MAIN OFFICE OF SUCH AFFILIATED BANK IS LOCATED
15	AND SHALL DESIGNATE EACH FIDUCIARY ACCOUNT EXISTING AT THE
16	DATE THEREOF WITH RESPECT TO WHICH THE APPLICANT BANK
17	REQUESTS SUBSTITUTION, BUT FIDUCIARY CAPACITIES IN OTHER
18	CASES NEED NOT BE LISTED. SUCH APPLICATION SHALL
19	ADDITIONALLY SET FORTH, WITH REGARD TO EACH EXISTING
20	FIDUCIARY ACCOUNT DESIGNATED THEREIN, THE NAME AND ADDRESS
21	LAST KNOWN TO THE APPLICANT OF EACH PERSON ENTITLED TO
22	MAILED NOTICE OF HEARING THEREON, WHO SHALL BE THOSE PERSONS
23	SPECIFIED IN SUBSECTIONS (A) TO (E), INCLUSIVE, OF SECTION
24	<u>7.</u>
25	(2) WHEN ANY SUCH APPLICATION SHALL HAVE BEEN FILED,
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1	THE CLERK OF THE COURT WHERE FILED SHALL MAKE AN ORDER
2	FIXING A DATE AND TIME FOR HEARING THEREON AND SHALL CAUSE
3	NOTICE THEREOF TO BE GIVEN BY PUBLICATION AND MAILING IN THE
4	MANNER REQUIRED BY SECTION 7.
5	(3) THE NOTICE TO BE PUBLISHED AND MAILED WITH RESPECT
6	TO EACH SUCH APPLICATION SHALL STATE THE TIME AND PLACE OF
7	THE HEARING THEREON, THE NAME OF THE BANK WHICH HAS FILED
8	THE APPLICATION, THE NAME OF THE AFFILIATED BANK WHICH HAS
9	JOINED IN SUCH APPLICATION, THAT THE APPLICATION REQUESTS
10	THAT THE APPLICANT BANK BE SUBSTITUTED IN EVERY FIDUCIARY
11	CAPACITY FOR THE AFFILIATED BANK SPECIFIED IN THE
12	APPLICATION, AND THAT ANY PERSON BENEFICIALLY INTERESTED IN
13	ANY AFFECTED FIDUCIARY ACCOUNT MAY APPEAR ON OR BEFORE THE
14	DATE OF HEARING AND FILE HIS WRITTEN OBJECTION TO SUCH
15	SUBSTITUTIONS AS TO SUCH AFFECTED FIDUCIARY ACCOUNT ON THE
16	SOLE GROUND THAT THE APPLICANT BANK IS UNFIT TO ACT WITH
17	RESPECT TO SUCH AFFECTED FIDUCIARY ACCOUNT, AND SUCH NOTICE
18	SHALL REFER TO SUCH APPLICATION FOR FURTHER PARTICULARS.
19	(4) ON OR BEFORE THE DATE AND TIME OF HEARING ANY SUCH
20	APPLICATION, ANY PERSON BENEFICIALLY INTERESTED IN ANY
21	FIDUCIARY ACCOUNT AS TO WHICH SUBSTITUTION OF THE APPLICANT
22	BANK IS REQUESTED, MAY APPEAR AND FILE OBJECTION TO
23	SUBSTITUTION ON THE SOLE GROUND THAT SUCH APPLICANT BANK IS
24	UNFIT TO ACT WITH RESPECT TO SUCH ACCOUNT, AND SHALL BE
25	ENTITLED TO BE HEARD WITH RESPECT TO SUCH OBJECTION.
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1	(5) ON SUCH DATE OF HEARING, UPON FINDING THAT DUE
2	NOTICE HAS BEEN GIVEN AS REQUIRED BY THIS ACT AND UPON
3	FINDING THAT THE APPLICANT BANK HAS RECEIVED THE REQUISITE
4	APPROVAL FROM THE DEPARTMENT OF BUSINESS REGULATION, OR THE
5	COMPTROLLER OF THE CURRENCY IF THE APPLICANT BANK IS A
6	NATIONAL BANKING ASSOCIATION, THE DISTRICT COURT SHALL ENTER
7	AN ORDER SUBSTITUTING THE APPLICANT BANK IN EVERY FIDUCIARY
8	CAPACITY FOR THE AFFILITED BANK DESIGNATED IN THE
9	APPLICATION, EXCEPTING AS MAY BE OTHERWISE SPECIFIED IN THE
10	APPLICATION, AND EXCEPTING FIDUCIARY CAPACITIES IN ANY
11	ACCOUNT WITH RESPECT TO WHICH AN OBJECTION HAS BEEN FILED
12	PURSUANT TO THIS SECTION AND THE DISTRICT COURT HAS FOUND
13	FACTS REQUIRING THAT SUCH OBJECTION BE ALLOWED. UPON ENTRY
14	OF SUCH ORDER, THE APPLICANT BANK SHALL, WITHOUT FURTHER
15	ACT, BE SUBSTITUTED IN EVERY SUCH FIDUCIARY CAPACITY. SUCH
16	SUBSTITUTION MAY BE MADE A MATTER OF RECORD IN ANY COUNTY OF
17	THIS STATE BY FILING A CERTIFIED COPY OF THE ORDER OF
18	SUBSTITUTION IN THE OFFICE OF THE CLERK OF ANY DISTRICT
19	COURT IN THIS STATE OR BY FILING A CERTIFIED COPY OF SUCH
20	ORDER IN THE OFFICE OF THE CLERK AND RECORDER OF ANY COUNTY
21	IN THIS STATE TO BE BY SUCH OFFICER RECORDED AND INDEXED IN
22	LIKE MANNER AND WITH LIKE EFFECT AS OTHER ORDERS AND DECREES
23	OF COURT ARE RECORDED AND INDEXED.
24	(6) EACH DESIGNATION IN A WILL OR OTHER INSTRUMENT
25	HERETOFORE OR HEREAFTER EXECUTED OF A BANK AS FIDUCIARY

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1	SHALL BE DEEMED A DESIGNATION OF THE APPLICANT BANK
2	SUBSTITUTED FOR SUCH BANK PURSUANT TO THIS SECTION EXCEPT
3	WHERE SUCH WILL OR OTHER INSTRUMENT IS EXECUTED AFTER SUCH
4	SUBSTITUTION AND EXPRESSLY NEGATES THE APPLICATION OF THIS
5	SECTION. ANY GRANT IN ANY SUCH WILL OR OTHER SUCH
6	INSTRUMENT OF ANY DISCRETIONARY POWER SHALL BE DEEMED
7	CONFERRED UPON THE APPLICANT BANK DEEMED DESIGNATED AS THE
8	FIDUCIARY PURSUANT TO THIS SECTION.
9	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT
10	BANK WHICH HAS BEEN SUBSTITUTED AS FIDUCIARY FOR SUCH BANK
11	PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD DURING
12	WHICH THE APPLICANT BANK IS INITIALLY SO SUBSTITUTED. UPON
13	SUBSTITUTION PURSUANT TO THIS SECTION, THE AFFILIATED BANK
14	FOR WHICH SUBSTITUTION HAS BEEN MADE SHALL DELIVER TO SUCH
15	APPLICANT BANK ALL ASSETS HELD BY SUCH AFFILIATED BANK AS
16	FIDUCIARY (EXCEPT ASSETS HELD FOR ACCOUNTS WITH RESPECT OF
17	WHICH THERE HAS BEEN NO SUBSTITUTION PURSUANT TO THIS
18	SECTION) AND UPON SUCH SUBSTITUTION ALL SUCH ASSETS SHALL
19	SECOME THE PROPERTY OF SUCH APPLICANT BANK WITHOUT THL
20	NECESSITY OF ANY INSTRUMENT OR TRANSFER OR CONVEYANCE.
21.	Section 9. Section 86-905, R.C.M. 1947, is amended to
22	read as follows:
23	"86-905. Transfer of office prohibited. Whe Except as
24	provided in sections [7 and 8 of this act], the trustee
25	shall not transfer his office to another or delegate the
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1	entire administration of the trust to a co-trustee or
2	another."
3	SECTION 10. TRUST SUBSIDIARIES OF UNAFFILIATED BANKS
4	AND TRUST-CORRESPONDENT RELATIONSHIPS. NOTHING IN SECTIONS
5	2 TO 8 SHALL BE CONSTRUED TO PROHIBIT OR RESTRICT ANY BANK
6	HAVING ITS MAIN OFFICE IN THIS STATE FROM ESTABLISHING A
7	SUBSIDIARY WHICH IS A TRUST COMPANY OR TO PROHIBIT OR
8	RESTRICT ANY GROUP OF BANKS HAVING THEIR MAIN OFFICE IN THIS
9	STATE FROM ACTING JOINTLY TO ESTABLISH ONE OR MORE TRUST
10	COMPANIES. FURTHER, NOTHING IN SECTIONS 2 TO 8 SHALL BE
11	CONSTRUED AS IN ANY WAY LIMITING OR RESTRICTING THE ABILITY
12	OF ANY BANK HAVING ITS MAIN OFFICE IN THIS STATE TO
13	ESTABLISH A TRUST-CORRESPONDENT RELATIONSHIP WITH ANY CTHER
14	BANK HAVING TRUST POWERS.
15	Section 11. Effective date. This act is effective on
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HE 0424/02

HOUSE BILL NO. 424 1 1 2 INTRODUCED BY JAMES MOORE, FABREGA 2 3 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE SUBSIDIARY 4 TRUST COMPANIES TO HAVE ONE OR MORE TRUST OFFICES; TO 5 5 AUTHORIZE CERTAIN BANKS TO MAINTAIN ONE OR MORE TRUST 6 6 7 OFFICES: TO PROVIDE FOR SUBSTITUTION IN FIDUCIARY 7 8 CAPACITIES: TO AMEND SECTION 86-905, R.C.M. 1947; AND TO 8 PROVIDE AN IMMEDIATE EFFECTIVE DATE." 9 9 10 10 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 12 Section 1. Short title. This act may be cited as "The 12 13 Subsidiary Trust Company Act of 1975". 13 bank. 14 Section 2. Definitions. As used in this act: (1) 14 15 "subsidiary trust company" means any corporation which is 15 16 incorporated under the banking laws of this state and any 16 17 national banking association having its main office in this 17 18 state more than fifty percent (50%) of the voting stock of 18 which is owned by an owning bank holding company and which 19 19 20 has as its purposes any one or more of the purposes 20 described in section 5-106, except that a subsidiary trust 21 21 22 company may not be empowered to accept deposits except those 22

24 (2) "affiliated bank" with respect to a subsidiary 25 trust company, means any bank incorporated under the laws of

deposits incidental to its trust business.

THIRD READING

this state and any national banking association having its main office in this state more than fifty percent (50%) of the voting stock of which is owned by the same owning bank holding company that owns more than fifty percent (50%) of the voting stock of the subsidiary trust company.

(3) "affiliated bank" with respect to another bank which is not a subsidiary trust company, means any bank incorporated under the laws of this state and any national banking association having its main office located in this state more than fifty percent (50%) of the stock of which is owned by the same owning bank holding company that owns more than fifty percent (50%) of the voting stock of such other

(4) "owning bank holding company", with respect to a subsidiary trust company or an affiliated bank, means a bank holding company as defined in the United States Bank Holding Company Act of 1956, as amended.

(5) "main office", with respect to a subsidiary trust company or an affiliated bank, is the place designated in the articles of incorporation or articles of association of that subsidiary trust company or affiliated bank at which its principal functions are to be conducted.

23 (6) "trust office", with respect to a subsidiary trust 24 company, means an office, including the main office, of the subsidiary trust company maintained for the purpose of 25 -2-

1 conducting its business.

2 (7) "trust office", with respect to a bank which is 3 not a subsidiary trust company, means an office other than 4 the main office of that bank maintained solely for the 5 purpose of conducting trust business as described in section 6 4.

7 (8) "fiduciary capacity" means a capacity resulting 8 from a bank undertaking to act alone or jointly with others 9 primarily for the benefit of another in all matters 10 connected with its undertaking and includes the capacities 11 of trustee (including trustee of a common trust fund), 12 executor, administrator, personal representative, registrar 13 or transfer agent with respect to stocks, bonds or other evidences of indebtedness of any corporation, association, 14 15 municipality, state or public authority, quardian or OF 16 estates, receiver, conservator, escrow agent, agent for the 17 investment of money, attorney-in-fact and any other similar 18 capacity.

19 Section 3. Organization of subsidiary trust companies. 20 A subsidiary trust company shall be incorporated under the 21 laws of this state in accordance with, and subject to, the 22 provisions of chapter 2 of Title 5. R.C.M. 1947. or under 23 the laws of the United States. To the extent not inconsistent with the provisions of this chapter, any 24 subsidiary trust company incorporated under the laws of this 25 -3-HB 424 1 state shall be subject to the laws of this state generally 2 applicable to trust companies. A subsidiary trust company 3 formed under the laws of the United States, shall be subject, to the extent provided by the laws of the United 4 States, to the laws of this state applicable to subsidiary 5 6 trust companies incorporated under the laws of this state.

7 Section 4. Permissible business of subsidiary trust 8 companies. The permissible business of a subsidiary trust 9 company shall be to engage in SUCH trust business as may be engaged in by a trust company under section 5-106 and SUCH 10 11 business AS IS incidental thereto. A subsidiary trust 12 company shall accept only those deposits incidental to the 13 trust business conducted by it.

14 Section 5. Trust offices of subsidiary trust 15 companies. Notwithstanding the provisions of section 5-1028, 16 a subsidiary trust company may have a trust office at any 17 one or more locations in this state in the same building 18 with the main office of any affiliated bank, but not 19 elsewhere.

20 Section 6. Trust offices of affiliated banks. 21 Notwithstanding the provisions of section 5-1028. a bank 22 having trust powers may be authorized by the department of 23 business regulation or by the comptroller of the currency, 24 in the case of a national banking association, to maintain a 25 trust office at any one or more locations in this state in -4-

1 the same building with the main office of any affiliated 2 bank.

3 Section-7--- Transfer-of--fiduciary--relationships--from 4 affiliated--banka--to-subsidiary-trust-companies----{}--Upon 5 authorization-of-any-subsidiary-trust--company--to--commence 6 the--business--for--which--it--is-organizedy-that-subsidiary 7 trust-company-may-file-an-application-in-the-district--court 8 of-the-county-in-which-its-main-office-is-located-requesting 9 that--it-be-substituted,-except-as-may-be-expressly-excluded 10 in-the-application-in-every-fiduciary-capacity-for-each-of its--affiliated-banks-specified-in-the-application--and-cach 11 12 such--specified--affiliated---bank---shall---toin---in---the 13 application---Upon-finding-that-the-subsidiary-trust-compony 14 is--authorized--to--commence--the--business--for-which-it-is 15 organized-by-the-department-of-business-regulation--or--the 16 comptroller-of-the-surrency-if-the-subsidiary-trust-company 17 is-a-national-banking-association,-the-district-court--shall 18 enter--an-order-substituting-the-subsidiary-trust-company-in 19 every--fiduciary--capacity--for--each---of---its---specified 20 affiliated--banksy--except--as-may-be-otherwise-specified-in 21 the-application--The-application-may-be-made-ex--parte--and 22 need-not-list-the-fiduciary-capacities-in-which-substitution 23 is--made----Upon--entry--of-this-order--the-subsidiary-trust 24 company--shall--be--substituted,--in--every--such--fiduciary 25 capacity -- and-the-substitution-may-be-evidenced-by-filing-a -5-HB 424

1 copy-of-the-order-with-the-clerk-of-any--district--court--in 2 this--state-or-by-delivery-for-recording-a-copy-of-the-order 3 4 officer-shall-index-the-order-as-other-recorded--orders--and 5 decrees-are-indexed. б (2)--Bach--prior-or-succeeding-designation-in-a-will-or 7 other-instrument-executed-by-a-bank-as--fiduciery--shall--be 8 considered--a--designation--of--the-subsidiary-trust-compony 9 substituted-for-that-bank-under-this-section--except-where-a 10 will--or--other--instrument--is--executed--after--the--above 11 substitution--and--it--cxprcssly--negates-the-application-of 12 this--section---Any--grant--in--any--such--will--or---other 13 instrument--of--any--discretionary-power-shall-be-considered 14 conferred--upon--the--subsidiary--trust--compony--considered 15 designated-as-the-fiduciary-under-this-section-16 {3}--A--bank--shall-account-jeintly-with-the-subsidiary 17 trust-company-which-has-been-substituted--as--fiduciary--for 18 that--bank--under--this--section--for--the-accounting-period 19 during-which--the--subsidiary--trust--company--is--initially substituted.--Upon-substitution-under-this-section,-the-bank 20 21 shall--deliver--to--the--subsidiary-trust-company-all-assets 22 held-by-the--bank--as--fiduciary--{except--assets--held--for 23 accounts---with---respect---to---which--there--has--been--no 24 substitution-under-this-section)-and-upon-this--substitution 25 all-those-assets-shall-become-the-property-of-the-subsidiary -6-HB 424

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1	trust-company-without-the-necessityofanyinstrumentof
2	transfer-or-conveyance.
3	SECTION 7. TRANSFER OF FIDUCIARY RELATIONSHIPS FROM
4	AFFILIATED BANKS TO SUBSIDIARY TRUST COMPANIES. (1) UPON
5	ANY SUBSIDIARY TRUST COMPANY BEING DULY AUTHORIZED TO
6	COMMENCE THE BUSINESS FOR WHICH IT IS ORGANIZED, SUCH
7	SUBSIDIARY TRUST COMPANY MAY FILE ITS VERIFIED APPLICATION
8	IN THE DISTRICT COURT OF THE COUNTY IN WHICH ITS MAIN OFFICE
9	IS LOCATED REQUESTING THAT IT BE SUBSTITUTED, EXCEPT AS MAY
10	BE EXPRESSLY EXCLUDED IN SUCH APPLICATION, IN EVERY
11	FIDUCIARY CAPACITY FOR EACH OF ITS AFFILIATED BANKS
12	SPECIFIED IN THE APPLICATION, AND EACH SUCH SPECIFIED
13	AFFILIATED BANK SHALL JOIN IN SUCH APPLICATION. SUCH
14	APPLICATION SHALL INDICATE THE COUNTY WHEREIN THE MAIN
15	OFFICE OF EACH AFFILIATED BANK JOINING IN THE APPLICATION IS
16	LOCATED AND SHALL DESIGNATE EACH FIDUCIARY ACCOUNT EXISTING
17	AT THE DATE THEREOF WITH RESPECT TO WHICH SUCH SUBSIDIARY
18	TRUST COMPANY REQUESTS SUBSTITUTION, BUT FIDUCIARY
19	CAPACITIES IN OTHER CASES NEED NOT BE LISTED. SUCH
20	APPLICATION SHALL ADDITIONALLY SET FORTH, WITH REGARD TO
21	BACH EXISTING FIDUCIARY ACCOUNT DESIGNATED THEREIN, THE NAME
2 2	AND ADDRESS LAST KNOWN TO THE APPLICANT OF EACH PERSON
23	ENTITLED TO MAILED NOTICE OF HEARING THEREON, TO WIT:
24 ·	(A) IN THE CASE OF AN EXISTING FIDUCIARY ACCOUNT WHICH
25	MAY BE REVOKED, TERMINATED OR AMENDED, EACH PERSON WHO,
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1	ALONE OR TOGETHER WITH OTHERS, IS EMPOWERED TO REVOKE,
2	TERMINATE OR AMEND THE SAME;
3	(B) IN THE CASE OF AN EXISTING FIDUCIARY ACCOUNT WITH
4	RESPECT TO WHICH ANY PERSON OTHER THAN A COURT HAS THE POWER
5	TO REMOVE THE CORPORATE FIDUCIARY, EACH PERSON WHO, ALONE OR
6	TOGETHER WITH OTHERS, IS EMPOWERED TO REMOVE THE CORPORATE
7	FIDUCIARY;
8	(C) IN THE CASE OF AN EXISTING FIDUCIARY ACCOUNT WHICH
9	IS AN ESTATE OF A DECEASED PERSON OR WHICH IS A GUARDIANSHIP
10	OR CONSERVATORSHIP, TO THE CLERK OF THE COURT IN WHICH SUCH
11	ESTATE, GUARDIANSHIP OR CONSERVATORSHIP MATTER IS PENDING;
1 2	(D) IN THE CASE OF AN EXISTING FIDUCIARY ACCOUNT NOT
13	DESCRIBED IN ANY OF THE FOREGOING SUBPARAGRAPHS, TO EACH
14	INCOME BENEFICIARY OF SUCH ACCOUNT AND TO EACH BENEFICIARY
15	WHO, WERE SUCH ACCOUNT TERMINATED AT THE DATE OF THE
16	APPLICATION RESPECTING SUCH ACCOUNT, WOULD BE ENTITLED TO
17	SHARE IN DISTRIBUTIONS OF INCOME OR PRINCIPAL THEREOF; AND
18	(E) IN THE CASE OF ANY EXISTING FIDUCIARY ACCOUNT
19	WHEREIN AN AFFILIATED BANK SPECIFIED IN THE APPLICATION IS
20	ACTING WITH A CO-FIDUCIARY, TO EACH SUCH CO-FIDUCIARY AT HIS
21	LAST KNOWN ADDRESS.
22	(2) WHEN ANY SUCH APPLICATION SHALL HAVE BEEN FILED,
23	THE CLERK OF THE COURT WHERE FILED SHALL MAKE AN ORDER
24	FIXING A DATE AND TIME FOR HEARING THEREON AND GIVE NOTICE
25	THEREOF AS HEREINAFTER PROVIDED. THE CLERK OF COURT SHALL

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1	CAUSE A COPY OF SUCH NOTICE TO BE PUBLISHED AT LEAST ONCE A
2	WEEK FOR THREE (3) SUCCESSIVE WEEKS PRECEDING THE HEARING
3	DATE, THE FIRST SUCH PUBLICATION TO BE AT LEAST TWENTY-FIVE
4	(25) DAYS PRECEDING THE HEARING DATE, SUCH PUBLICATION TO BE
5	IN A NEWSPAPER OF GENERAL CIRCULATION PUBLISHED IN EACH
6	COUNTY IN WHICH THE MAIN OFFICE OF AN AFFILIATED BANK
7	SPECIFIED IN THE APPLICATION IS LOCATED, OR IF IN ANY CASE
8	THERE BE NO SUCH NEWSPAPER, THEN IN A NEWSPAPER OF GENERAL
9	CIRCULATION PUBLISHED IN A CONTIGUOUS COUNTY. IN ADDITION,
10	AT LEAST TWENTY-FIVE (25) DAYS PRECEDING THE HEARING DATE,
11	THE CLERK OF THE COURT SHALL CAUSE A COPY OF SUCH NOTICE TO
12	BE MAILED BY FIRST CLASS MAIL TO EACH PERSON IDENTIFIED IN
13	THE APPLICATION AS BEING ENTITLED TO MAILED NOTICE UNDER THE
14	PROVISIONS OF THIS ACT, AT HIS ADDRESS LAST KNOWN TO THE
15	APPLICANT AS SET FORTH IN THE APPLICATION.
16	(3) THE NOTICE TO BE PUBLISHED AND MAILED WITH RESPECT
17	TO EACH SUCH APPLICATION SHALL STATE THE TIME AND PLACE OF
18	THE HEARING THEREON, THE NAME OF THE SUBSIDIARY TRUST
19	COMPANY WHICH HAS FILED THE APPLICATION, THE NAME OF EACH
20	AFFILIATED BANK WHICH HAS JOINED IN SUCH APPLICATION, THAT
21	THE APPLICATION REQUESTS THAT THE SUBSIDIARY TRUST COMPANY
2 2	BE SUBSTITUTED IN EVERY FIDUCIARY CAPACITY FOR EACH OF ITS
23	AFFILIATED BANKS SPECIFIED IN THE APPLICATION, AND THAT ANY
24	PERSON BENEFICIALLY INTERESTED IN ANY AFFECTED FIDUCIARY
25	ACCOUNT MAY APPEAR ON OR BEFORE THE DATE OF HEARING AND FILE
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1	HIS WRITTEN OBJECTION TO SUCH SUBSTITUTION AS TO SUCH
2	AFFECTED FIDUCIARY ACCOUNT, AND SUCH NOTICE SHALL REFER TO
3	SUCH APPLICATION FOR FURTHER PARTICULARS.
4	(4) ON OR BEFORE THE DATE AND TIME OF HEARING ANY SUCH
5	APPLICATION, ANY PERSON BENEFICIALLY INTERESTED IN ANY
6	FIDUCIARY ACCOUNT AS TO WHICH SUBSTITUTION OF THE SUBSIDIARY
7	TRUST COMPANY IS REQUESTED, MAY APPEAR AND FILE OBJECTION TO
8	SUBSTITUTION ON THE SOLE GROUND THAT SUCH SUBSIDIARY TRUST
9	COMPANY IS UNFIT TO ACT WITH RESPECT TO SUCH ACCOUNT, AND
10	SHALL BE ENTITLED TO BE HEARD WITH RESPECT TO SUCH
11	OBJECTION.
12	(5) ON SUCH DATE OF HEARING, UPON FINDING THAT DUE
13	NOTICE HAS BEEN GIVEN AS REQUIRED BY THIS ACT AND UPON
14	FINDING THAT THE SUBSIDIARY TRUST COMPANY HAS BEEN DULY
15	AUTHORIZED TO COMMENCE THE BUSINESS FOR WHICH IT IS
16	ORGANIZED BY THE DEPARTMENT OF BUSINESS REGULATION, OR THE
17	COMPTROLLER OF THE CURRENCY IF THE SUBSIDIARY TRUST COMPANY
18	IS A NATIONAL BANKING ASSOCIATION, THE DISTRICT COURT SHALL
19	ENTER AN ORDER SUBSTITUTING THE SUBSIDIARY TRUST COMPANY IN
20	EVERY FIDUCIARY CAPACITY FOR EACH OF ITS SPECIFIED
21	AFFILIATED BANKS, EXCEPTING AS MAY BE OTHERWISE SPECIFIED IN
22	THE APPLICATION, AND EXCEPTING FIDUCIARY CAPACITIES IN ANY
23	ACCOUNT WITH RESPECT TO WHICH AN OBJECTION HAS BEEN FILED
24	PURSUANT TO THIS SECTION AND THE DISTRICT COURT HAS FOUND
25	FACTS REQUIRING THAT SUCH OBJECTION BE ALLOWED. UPON ENTRY
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1	OF SUCH ORDER, THE SUBSIDIARY TRUST COMPANY SHALL, WITHOUT
2	FURTHER ACT, BE SUBSTITUTED IN EVERY SUCH FIDUCIARY
3	CAPACITY. SUCH SUBSTITUTION MAY BE MADE A MATTER OF RECORD
4	IN ANY COUNTY OF THIS STATE BY FILING A CERTIFIED COPY OF
5	THE ORDER OF SUBSTITUTION IN THE OFFICE OF THE CLERK OF ANY
6	DISTRICT COURT IN THIS STATE OR BY FILING A CERTIFIED COPY
7	OF SUCH ORDER IN THE OFFICE OF THE CLERK AND RECORDER OF ANY
8	COUNTY IN THIS STATE TO BE BY SUCH OFFICER RECORDED AND
9	INDEXED IN LIKE MANNER AND WITH LIKE EFFECT AS OTHER ORDERS
10	AND DECREES OF COURT ARE RECORDED AND INDEXED.
11	(6) EACH DESIGNATION IN A WILL OR OTHER INSTRUMENT
12	HERETOFORE OR HEREAFTER EXECUTED OF A BANK AS FIDUCIARY
13	SHALL BE DEEMED A DESIGNATION OF THE SUBSIDIARY TRUET
14	COMPANY SUBSTITUTED FOR SUCH BANK PURSUANT TO THIS SECTION
15	EXCEPT WHERE SUCH WILL OR OTHER INSTRUMENT IS EXECUTED AFTER
16	SUCH SUBSTITUTION AND EXPRESSLY NEGATES THE APPLICATION OF
17	THIS SECTION. ANY GRANT IN ANY SUCH WILL OR OTHER
18	INSTRUMENT OF ANY DISCRETIONARY POWER SHALL BE DEEMED
1 9	CONFERRED UPON THE SUBSIDIARY TRUST COMPANY DEEMED
20	DESIGNATED AS THE FIDUCIARY PURSUANT TO THIS SECTION.
21	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE SUBSIDIARY
22	TRUST COMPANY WHICH HAS BEEN SUBSTITUTED AS FIDUCIARY FOR
23	SUCH BANK PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD
24	DURING WHICH THE SUBSIDIARY TRUST COMPANY IS INITIALLY SO
25	SUBSTITUTED. UPON SUBSTITUTION PURSUANT TO THIS SECTION,
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1	THE BANK SHALL DELIVER TO THE SUBSIDIARY TRUST COMPA	NY ALL
2	ASSETS HELD BY THE BANK AS FIDUCIARY (EXCEPT ASSETS H	ELD FOR
3	ACCOUNTS WITH RESPECT TO WHICH THERE HAS B	een no
4 - 4	SUBSTITUTION PURSUANT TO THIS SECTION) AND UPON	SUCH
5	SUBSTITUTION ALL SUCH ASSETS SHALL BECOME THE PROP.	ERTY OF
6	THE SUBSIDIARY TRUST COMPANY WITHOUT THE NECESSITY	OF ANY
7	INSTRUMENT OF TRANSFER OR CONVEYANCE.	
8	Section-8Transfer-of-fiduciary-relationships-	between
9	affiliatedbanks{1}Anybankwhichhasr	eceived
10	approvaly-under-section-6y-to-maintain-a-trust-office	-in-the
11	samebuildingwith-the-main-office-of-any-affiliate	d-banky
12	may-file-an-application-in-the-district-court-inwhi	ehits
13	mainofficeis-locatedy-requesting-that-it-be-subst	ituted,
14	except-as-may-be-expressly-excluded-in-theapplicati	on7in
15	everyfiduciarycapacity-for-the-affiliated-banky-a	nd-that
16	affiliated-bank-shall-join-in-the-applicationUpon-	finding
17	thatthebankfilinganapplicationhasreceiv	edthe
18	requisiteapprovalfromthedepartmentofb	usiness
19	regulation-or-the-comptroller-of-the-currency7-thed	istrict
20	courtshallenteran-order-substituting-the-bank-i	n-every
21	fiduciary-capacity-for-this-affiliated-banky-except	asmay
22	be-otherwise-specified-in-the-applicationSuch-appl	ication
23	maybemadecmparteandneednetlist-the-fi	duciary
24	capacities-in-which-substitution-ismaderUponen	tryof
25	thisorderythe-bank-shall-be-substitutedy-without-	further
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2	maybeevidencedbyfilinga-copy-of-the-order-with-the
3	elerk-of-any-district-court-in-this-state-or-by-delivery-for
4	recording-a-copy-of-the-order-to-the-clerk-andrecorderof
5	anycountyinthisstateThat-officer-shall-index-the
6	order-as-other-recorded-orders-and-decrees-are-indexed.
7	{2}Each-prior-or-succ eeding-designation-in-a-willor
8	otherinstrumentexecutedby-a-bank-as-fiduciary-shall-be
9	considered-a-designation-of-the-affiliated-banksubstituted
10	forthatbankunderthis-section7-except-where-a-will-or
11	other-instrument-is-executed-aftertheabovesubstitution
12	andexpressly-negates-the-application-of-this-sectionAny
13	grant-in-any-such-willorothersuchinstrumentofany
14	discretionarypowershall-be-considered-conferred-upon-the
15	affiliated-bank-considered-designated-as-the-fiduciary-under
16	this-section.
17	(3)A-bank-shall-account-jointly-withtheaffiliated
18	bankwhichhas-been-substituted-as-fiduciary-for-that-bank
19	under-this-section-for-the-accountingperiodduringwhich
20	theaffiliatedbankisinitiallysubstitutedUpon
21	substitutionunderthissectionythebankforwhich
22	substitutionhasbeen-made-shall-deliver-to-the-affiliated
23	bank-all-assets-held-by-the-bank-as-fidiciary-{except-assets
24	held-for-accounts-with-respect-of-which-therehasbeenno
25	substitutionunder-this-section}-and-upon-this-substitution
	-13- НВ 424

acty-in-every-such-fiduciary-capacityy-and-the--substitution

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1	all-those-assets-shall-become-the-property-of-the-affiliated
2	bank-without-the-necessity-of-any-instrument-or-transferof
3	CONVEYENCET
4	SECTION 8. TRANSFER OF FIDUCIARY RELATIONSHIPS BETWEEN
5	AFFILIATED BANKS. (1) ANY BANK WHICH HAS RECEIVED APPROVAL,
6	PURSUANT TO SECTION 6 TO MAINTAIN A TRUST OFFICE IN THE SAME
7	BUILDING WITH THE MAIN OFFICE OF ANY AFFILIATED BANK MAY
8	FILE ITS VERIFIED APPLICATION IN THE DISTRICT COURT OF THE
9	COUNTY IN WHICH ITS MAIN OFFICE IS LOCATED REQUESTING THAT
10	IT BE SUBSTITUTED, EXCEPT AS MAY BE EXPRESSLY EXCLUDED IN
11	SUCH APPLICATION, IN EVERY FIDUCIARY CAPACITY FOR SUCH
- 12	AFFILIATED BANK, AND SUCH AFFILIATED BANK SHALL JOIN IN SUCH
13	APPLICATION. SUCH APPLICATION SHALL INDICATE THE COUNTY
14	WHEREIN THE MAIN OFFICE OF SUCH AFFILIATED BANK IS LOCATED
15	AND SHALL DESIGNATE EACH FIDUCIARY ACCOUNT EXISTING AT THE
16	DATE THEREOF WITH RESPECT TO WHICH THE APPLICANT BANK
17	REQUESTS SUBSTITUTION, BUT FIDUCIARY CAPACITIES IN OTHER
18	CASES NEED NOT BE LISTED. SUCH APPLICATION SHALL
19	ADDITIONALLY SET FORTH, WITH REGARD TO EACH EXISTING
20	FIDUCIARY ACCOUNT DESIGNATED THEREIN, THE NAME AND ADDRESS
21	LAST KNOWN TO THE APPLICANT OF EACH PERSON ENTITLED TO
22	MAILED NOTICE OF HEARING THEREON, WHO SHALL BE THOSE PERSONS
23	SPECIFIED IN SUBSECTIONS (A) TO (E), INCLUSIVE, OF SECTION
24	<u>7.</u>
25	(2) WHEN ANY SUCH APPLICATION SHALL HAVE BEEN FILED,
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1	THE CLERK OF THE COURT WHERE FILED SHALL MAKE AN ORDER
2	FIXING A DATE AND TIME FOR HEARING THEREON AND SHALL CAUSE
3	NOTICE THEREOF TO BE GIVEN BY PUBLICATION AND MAILING IN THE
4	MANNER REQUIRED BY SECTION 7.
5	(3) THE NOTICE TO BE PUBLISHED AND MAILED WITH RESPECT
6	TO EACH SUCH APPLICATION SHALL STATE THE TIME AND PLACE OF
7	THE HEARING THEREON, THE NAME OF THE BANK WHICH HAS FILED
8	THE APPLICATION, THE NAME OF THE AFFILIATED BANK WHICH HAS
9	JOINED IN SUCH APPLICATION, THAT THE APPLICATION REQUESTS
10	THAT THE APPLICANT BANK BE SUBSTITUTED IN EVERY FIDUCIARY
11	CAPACITY FOR THE AFFILIATED BANK SPECIFIED IN THE
12	APPLICATION, AND THAT ANY PERSON BENEFICIALLY INTERESTED IN
13	ANY AFFECTED FIDUCIARY ACCOUNT MAY APPEAR ON OR BEFORE THE
14	DATE OF HEARING AND FILE HIS WRITTEN OBJECTION TO SUCH
15	SUBSTITUTIONS AS TO SUCH AFFECTED FIDUCIARY ACCOUNT ON THE
16	SOLE GROUND THAT THE APPLICANT BANK IS UNFIT TO ACT WITH
17	RESPECT TO SUCH AFFECTED FIDUCIARY ACCOUNT, AND SUCH NOTICE
18	SHALL REFER TO SUCH APPLICATION FOR FURTHER PARTICULARS.
19	(4) ON OR BEFORE THE DATE AND TIME OF HEARING ANY SUCH
20	APPLICATION, ANY PERSON BENEFICIALLY INTERESTED IN ANY
21	FIDUCIARY ACCOUNT AS TO WHICH SUBSTITUTION OF THE APPLICANT
22	BANK IS REQUESTED, MAY APPEAR AND FILE OBJECTION TO
23	SUBSTITUTION ON THE SOLE GROUND THAT SUCH APPLICANT BANK IS
24	UNFIT TO ACT WITH RESPECT TO SUCH ACCOUNT, AND SHALL BE
25	ENTITLED TO BE HEARD WITH RESPECT TO SUCH OBJECTION.
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1	(5) ON SUCH DATE OF HEARING, UPON FINDING THAT DUE
2	NOTICE HAS BEEN GIVEN AS REQUIRED BY THIS ACT AND UPON
3	FINDING THAT THE APPLICANT BANK HAS RECEIVED THE REQUISITE
. 4	APPROVAL FROM THE DEPARTMENT OF BUSINESS REGULATION, OR THE
5	COMPTROLLER OF THE CURRENCY IF THE APPLICANT BANK IS A
6	NATIONAL BANKING ASSOCIATION, THE DISTRICT COURT SHALL ENTER
7	AN ORDER SUBSTITUTING THE APPLICANT BANK IN EVERY FIDUCIARY
8	CAPACITY FOR THE AFFILITED BANK DESIGNATED IN THE
9	APPLICATION, EXCEPTING AS MAY BE OTHERWISE SPECIFIED IN THE
10	APPLICATION, AND EXCEPTING FIDUCIARY CAPACITIES IN ANY
11	ACCOUNT WITH RESPECT TO WHICH AN OBJECTION HAS BEEN FILED
12	PURSUANT TO THIS SECTION AND THE DISTRICT COURT HAS FOUND
13	FACTS REQUIRING THAT SUCH OBJECTION BE ALLOWED. UPON ENTRY
14	OF SUCH ORDER, THE APPLICANT BANK SHALL, WITHOUT FURTHER
15	ACT, BE SUBSTITUTED IN EVERY SUCH FIDUCIARY CAPACITY. SUCH
16	SUBSTITUTION MAY BE MADE A MATTER OF RECORD IN ANY COUNTY OF
17	THIS STATE BY FILING A CERTIFIED COPY OF THE ORDER OF
18	SUBSTITUTION IN THE OFFICE OF THE CLERK OF ANY DISTRICT
19	COURT IN THIS STATE OR BY FILING A CERTIFIED COPY OF SUCH
20	ORDER IN THE OFFICE OF THE CLERK AND RECORDER OF ANY COUNTY
21	IN THIS STATE TO BE BY SUCH OFFICER RECORDED AND INDEXED IN
22	LIKE MANNER AND WITH LIKE EFFECT AS OTHER ORDERS AND DECREES
23	OF COURT ARE RECORDED AND INDEXED.
24	(6) EACH DESIGNATION IN A WILL OR OTHER INSTRUMENT
25	HERETOFORE OR HEREAFTER EXECUTED OF A BANK AS FIDUCIARY
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1	SHALL BE DEEMED A DESIGNATION OF THE APPLICANT BANK
2	SUBSTITUTED FOR SUCH BANK PURSUANT TO THIS SECTION EXCEPT
3	WHERE SUCH WILL OR OTHER INSTRUMENT IS EXECUTED AFTER SUCH
4	SUBSTITUTION AND EXPRESSLY NEGATES THE APPLICATION OF THIS
5	SECTION. ANY GRANT IN ANY SUCH WILL OR OTHER SUCH
6	INSTRUMENT OF ANY DISCRETIONARY POWER SHALL BE DEEMED
7	CONFERRED UPON THE APPLICANT BANK DEEMED DESIGNATED AS THE
8	FIDUCIARY PURSUANT TO THIS SECTION.
9	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT
10	BANK WHICH HAS BEEN SUBSTITUTED AS FIDUCIARY FOR SUCH BANK
11	PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD DURING
12	WHICH THE APPLICANT BANK IS INITIALLY SO SUBSTITUTED. UPON
13	SUBSTITUTION PURSUANT TO THIS SECTION, THE AFFILIATED BANK
14	FOR WHICH SUBSTITUTION HAS BEEN MADE SHALL DELIVER TO SUCH
15	APPLICANT BANK ALL ASSETS HELD BY SUCH AFFILIATED BANK AS
16	FIDUCIARY (EXCEPT ASSETS HELD FOR ACCOUNTS WITH RESPECT OF
17	WHICH THERE HAS BEEN NO SUBSTITUTION PURSUANT TO THIS
18	SECTION) AND UPON SUCH SUBSTITUTION ALL SUCH ASSETS SHALL
19	BECOME THE PROPERTY OF SUCH APPLICANT BANK WITHOUT THE
20	NECESSITY OF ANY INSTRUMENT OF TRANSFER OR CONVEYANCE.
21	Section 9. Section 86-905, R.C.M. 1947, is amended to
22	read as follows:
22	
	"86-905. Transfer of office prohibited. Whe Except as
24	provided in sections [7 and 8 of this act], the trustee
25	shall not transfer his office to another or delegate the
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1	entire administration of the trust to a co-trustee or
2	another."
3	SECTION 10. TRUST SUBSIDIARIES OF UNAFFILIATED BANKS
4	AND TRUST-CORRESPONDENT RELATIONSHIPS. NOTHING IN SECTIONS
5	2 TO 8 SHALL BE CONSTRUED TO PROHIBIT OR RESTRICT ANY BANK
6	HAVING ITS MAIN OFFICE IN THIS STATE FROM ESTABLISHING A
7	SUBSIDIARY WHICH IS A TRUST COMPANY OR TO PROHIBIT OR
8	RESTRICT ANY GROUP OF BANKS HAVING THEIR MAIN OFFICE IN THIS
9	STATE FROM ACTING JOINTLY TO ESTABLISH ONE OR MORE TRUST
10	COMPANIES. FURTHER, NOTHING IN SECTIONS 2 TO 8 SHALL BE
10 11	COMPANIES. FURTHER, NOTHING IN SECTIONS 2 TO 8 SHALL BE CONSTRUED AS IN ANY WAY LIMITING OR RESTRICTING THE ABILITY
11	CONSTRUED AS IN ANY WAY LIMITING OR RESTRICTING THE ABILITY
11 12	CONSTRUED AS IN ANY WAY LIMITING OR RESTRICTING THE ABILITY OF ANY BANK HAVING ITS MAIN OFFICE IN THIS STATE TO
11 12 13	CONSTRUED AS IN ANY WAY LIMITING OR RESTRICTING THE ABILITY OF ANY BANK HAVING ITS MAIN OFFICE IN THIS STATE TO ESTABLISH A TRUST-CORRESPONDENT RELATIONSHIP WITH ANY OTHER

-End-

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SENATE COMMITTEE ON BUSINESS AND INDUSTRY

AMENDMENTS TO HOUSE BILL NO. 424

That House Bill No. 424, third reading, be amended as follows:

- Amend page 1, section 2, lines 22 and 23. Following: "accept deposits" Strike: "except those deposits incidental to its trust business" Insert: "or otherwise to conduct commercial banking business"
- 2. Amend page 4, section 4, lines 12 and 13. Following: "shall" Strike: "accept only those deposits incidental to the trust business conducted by it" Insert: "not accept deposits or otherwise conduct commercial banking business"
- 3. Amend page 4, section 5, line 18. Following: "bank" Insert: "which, on January 1, 1975, was authorized to act in fiduciary capacities"
- 4. Amend page 5, section 6, line 2. Following: "bank" Insert: "which, on January 1, 1975, was authorized to act in fiduciary capacities"
- 5. Amend page 10, section 7, line 8. Following: "SUBSTITUTION" Strike: "ON THE SOLE GROUND THAT SUCH SUBSIDIARY TRUST COMPANY IS UNFIT TO ACT WITH RESPECT TO SUCH ACCOUNT"
- 6. Amend page 10, section 7, lines 24 and 25. Following: "SECTION" Strike: "AND THE DISTRICT COURT HAS FOUND FACTS REQUIRING THAT SUCH OBJECTION BE ALLOWED"
- 7. Amend page 15, section 8, line 15. Following: line 14 Strike: "SUBSTITUTIONS" Insert: "substitution"
- 8. Amend page 15, section 8, lines 15 through 16 and 17. Following: "ACCOUNT" Strike: "ON THE SOLE GROUND THAT THE APPLICANT BANK IS UNFIT TO ACT WITH RESPECT TO SUCH AFFECTED FIDUCIARY ACCOUNT"
- 9. Amend page 15, section 8, lines 23 and 24. Following: "SUBSTITUTION" STRIKE: "ON THE SOLE GROUND THAT SUCH APPLICANT BANK IF UNFIT TO ACT WITH RESPECT TO SUCH ACCOUNT"

- 10. Amend page 16, section 8, lines 12 and 13. Following: "SECTION" STRIKE: "AND THE DISTRICT COURT HAS FOUND FACTS REQUIRING THAT SUCH OBJECTION BE ALLOWED"
- 11. Amend page 18, section 10, lines 5 through 6 and 7. Following: "CONSTRUED" Strike: "TO PROHIBIT OR RESTRICT ANY BANK HAVING ITS MAIN OFFICE IN THIS STATE FROM ESTABLISHING A SUBSIDIARY WHICH IS A TRUST COMPANY OR"
- 12. Amend page 18, section 10, line 8, Following: "MAIN" Strike: "OFFICE" Insert: "OFFICES
- 13. Amend page 18, section 10, line 10. Following: "COMPANIES" Strike: "." Insert: "; provided, that no such trust company may accept deposits or otherwise conduct commercial banking business."

March 17, 1975

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SENATE COMMITTEE ON BUSINESS AND INDUSTRY

AMENDMENTS TO HOUSE BILL NO. 424

That House Bill No. 424, third reading, be amended as follows:

- Amend page 1, section 2, lines 22 and 23. Following: "accept deposits" Strike: "except those deposits incidental to its trust business" Insert: "or otherwise to conduct commercial banking business"
- 2. Amend page 4, section 4, lines 12 and 13. Following: "shall" Strike: "accept only those deposits incidental to the trust business conducted by it" Insert: "not accept deposits or otherwise conduct commercial banking business"
- 3. Amend page 4, section 5, line 18. Following: "bank" Insert: "which, on January 1, 1975, was authorized to act in fiduciary capacities"
- 4. Amend page 5, section 6, line 2. Following: "bank" Insert: "which, on January 1, 1975, was authorized to act in fiduciary capacities"
- 5. Amend page 10, section 7, line 8. Following: "SUBSTITUTION" Strike: "ON THE SOLE GROUND THAT SUCH SUBSIDIARY TRUST COMPANY IS UNFIT TO ACT WITH RESPECT TO SUCH ACCOUNT"
- 6. Amend page 10, section 7, lines 24 and 25. Following: "SECTION" Strike: "AND THE DISTRICT COURT HAS FOUND FACTS REQUIRING THAT SUCH OBJECTION BE ALLOWED"
- 7. Amend page 15, section 8, line 15. Following: line 14 Strike: "SUBSTITUTIONS" Insert: "substitution"
- 8. Amend page 15, section 8, lines 15 through 16 and 17. Following: "ACCOUNT" Strike: "ON THE SOLE GROUND THAT THE APPLICANT BANK IS UNFIT TO ACT WITH RESPECT TO SUCH AFFECTED FIDUCIARY ACCOUNT"
- 9. Amend page 15, section 8, lines 23 and 24. Following: "SUBSTITUTION" STRIKE: "ON THE SOLE GROUND THAT SUCH APPLICANT BANK IS UNFIT TO ACT WITH RESPECT TO SUCH ACCOUNT"

- 10. Amend page 16, section 8, lines 12 and 13. Following: "SECTION" STRIKE: "AND THE DISTRICT COURT HAS FOUND FACTS REQUIRING THAT SUCH OBJECTION BE ALLOWED"
- 11. Amend page 18, section 10, lines 5 through 6 and 7. Following: "CONSTRUED" Strike: "TO PROHIBIT OR RESTRICT ANY BANK HAVING ITS MAIN OFFICE IN THIS STATE FROM ESTABLISHING A SUBSIDIARY WHICH IS A TRUST COMPANY OR"
- 12. Amend page 18, section 10, line 8, Following: "MAIN" Strike: "OFFICE" Insert: "OFFICES
- 13. Amend page 18, section 10, line 10. Following: "COMPANIES" Strike; "." Insert: "; provided, that no such trust company may accept deposits or otherwise conduct commercial banking business."

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March 19, 1975

SENATE COMMITTEE OF THE WHOLE

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AMENDMENTS TO HOUSE BILL NO. 424

That House Bill No. 424, third reading, be amended as follows:

1. Amend page 18, section 10, lines 3 through 14. Strike: Section 10 in its entirety Renumber: Subsequent section

44th Legislature

HOUSE BILL NO. 424 1 INTRODUCED BY JAMES MOOLE, FAEBEGA 2 3 A BILL POR AN ACT ENTITLED: "AN ACT TO AUTHORIZE SUBSIDIARY í. THUST COMPANIES TO HAVE ONE OR MOLE THUST OFFICES; TO 4, AUTHORIZE CERTAIN BANKS TO MAINTAIN ONE OK MORP TRUST 6 OPPICES: TO PROVIDE FOR SUBSTITUTION IN FIDUCIARY 7 CAPACITIES: TO AMEND SECTION 86-905, R.C.M. 1947; AND TO R PROVIDE AN IMMEDIATE REPECTIVE DATE." 9 10 11 BE IT PRACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Short title. This act may be cited as "The 12 13 Subsidiary Trust Company Act of 1975". 14 Section 2. Definitions. As used in this act: (1) "subsidiary trust company" means any corporation which is 15 incorporated under the banking laws of this state and any 10 17 national banking association having its main office in this state more than fifty percent (50%) of the woting stock of 16 19 which is owned by an owning bank holding company and which 26 has as its purposes any one or more of the purposes 21 described in section 5-106, except that a subsidiary trust 22 company may not be empowered to accept deposits except those

23 deposits incidental to its trust business <u>Ok_OTHEBHISE_TO</u>

24 CONDUCT COMMERICAL PANKING FUSINESS.

25 (2) "affiliated bank" with respect to a subsidiary

trust company, means any bank incorporated under the laws of this state and any national banking association having its main office in this state more than fifty percent (50%) of the voting stock of which is owned by the same owning bank holding company that owns more than fifty percent (50%) of the voting stock of the subsidiary trust company.

7 (3) "affiliated bank" with respect to another bank 8 which is not a subsidiary trust company, means any bank 9 incorporated under the laws of this state and any national 10 banking association having its main office located in this state more than fifty percent (50%) of the stock of which is 11 12 owned by the same owning bank holding company that owns more than fifty percent (50%) of the voting stock of such other 13 14 bank.

15 (4) "owning bank holding company", with respect to a
16 subsidiary trust company or an affiliated bank, means a bank
17 holding company as defined in the United States Bank Holding
18 Company Act of 1956, as amended.

(5) "main office", with respect to a subsidiary trust
company or an affiliated bank, is the place designated in
the articles of incorporation or articles of association of
that subsidiary trust company or affiliated bank at which
its principal functions are to be conducted.

(6) "trust office", with respect to a subsidiary trust
 company, means an office, including the main office, of the
 -2- HB 424

REFERENCE BILL

subsidiary trust company maintained for the purpose of
 conducting its business.

3 (7) "trust office", with respect to a bank which is
4 not a subsidiary trust company, means an office other than
5 the main office of that bank maintained solely for the
b purpose of conducting trust business as described in section
7 4.

8 (8) "fiduciary capacity" means a capacity resulting 9 from a bank undertaking to act alone or jointly with others 10 primarily for the benefit of another in all matters 11 connected with its undertaking and includes the capacities 12 of trustee (including trustee of a common trust fund), 13 executor, administrator, personal representative, registrar or transfer agent with respect to stocks, bonds or other 14 evidences of indebtedness of any corporation, association, 15 municipality, state or public authority, quardian or OF 1o estates, receiver, conservator, escrov agent, agent for the 17 18 investment of money, attorney-in-fact and any other similar 19 capacity.

20 Section 3. Organization of subsidiary trust companies. 21 A subsidiary trust company shall be incorporated under the 22 laws of this state in accordance with, and subject to, the 23 provisions of chapter 2 of Title 5, S.C.M. 1947, or under 24 the laws of the United States. To the extent not 25 inconsistent with the provisions of this chapter, any -3- HB 424 subsidiary trust company incorporated under the laws of this state shall be subject to the laws of this state generally applicable to trust companies. A subsidiary trust company formed under the laws of the United States, shall be subject, to the extent provided by the laws of the United States, to the laws of this state applicable to subsidiary trust companies incorporated under the laws of this state.

8 Section 4. Fermissible business of subsidiary trust 9 companies. The permissible business of a subsidiary trust 10 company shall be to engage in <u>SUCH</u> trust business as may be 11 engaged in by a trust company under section 5-106 and SUCH 12 business 15 IS incidental thereto. A subsidiary trust 13 company shall accept only those deposits incidental to the 14 trust basiness conducted by it NOT ACLEPT DEPOSITS OF 15 OTHERWISE CONDUCT COMMERCIAL BANKING BUSINESS.

offices of subsidiary trust 16 Section 5. Trust companies. Notwithstanding the provisions of section 5-1028, 17 a subsidiary trust company may have a trust office at any 18 one or more locations in this state in the same building 19 26 with the main office of any affiliated bank WHICE, ON JANUARY 1, 1975, VAS AUTHOBIZED TO ACT IN PIDUCIARY 21 22 CAPACITIES, but not elsewhere. Section 6. Trust offices of affiliated banks. 23

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business regulation or by the comptroller of the currency,
 in the case of a national banking association, to maintain a
 trust office at any one or more locations in this state in
 the same building with the main office of any affiliated
 bank WHICH, ON JANDARY 1, 1975, WAS ADTHORIZED TO ACT IN
 PIDUCIARY CAPACITIES.

7 Section 7. Transfer of fiduciary relationships from affiliated banks to subsidiary trust companies. (1)- Open 3 authorisation-of-any-subsidiary-trust-company-to--commonde 9 10 the broiness for which it is organized, that submidiary trust company may file as application in the district - court 11 12 of the correty-is which its main office is located requesting 15 that -- it-be-cubotituted, -except-as way-be-expressly-excluded in the application, in every fiduciary capacity for each of 14 15 its affiliated banks specified in the application, and each such specified atfiliated back shall -- Join in the 16 17 application --- Upon-finding-that-the-subsidiety-trust-company 18 19 organized by the department of business regulation, or the comptroller---of-the-currency-if-the-cobcidiary truct-company 26 21 is-a national banking-accoriation, the district court-chall 44 23 every ______iduaidry ______capadity _____for____of_____its _____specified 24 affiliated -- basks, -- except -- at may be otherwise specified in 25 the application. The application may be made er parte and -5-88 424

1	meed not list the fiduciary capacities in which substitution
2	is made
3	oompany
4	capacity, and-the-substitution-may be evidenced-by-filing-a
5	copy of the order with the clerk of any district court in
6	this state or by delivery for recording a copy of the order
7	to the clerk and recorder of any county in this state. That
8	officer-shall-index-the-order-as-other-recorded orders-and
9	degreep-are-indemed-
10	{2}Each-prior-or-succeeding designation in a will or
11	other instrument executed by a bank as fidusiary shall be
12	considered—a—decignation—of—the subsidiary-trust company
13	substituted for that bank under this section, except where a
14	#ill or other instrument is executed after the above
15	substitution and it expressly negates the application of
16	this section. Any-grant-in-any-such-vill orother
17	isstrument—of—any—disorctionary-power-shall—bo considered
18	oonforred—upon—the—subsidiarytrustoonpanyconsidered
15	designated as the fiduciary under this section.
20	(3)1bankshall-account-jointly-with-the-subsidiary
21	trast-company-which-has-been-substituted-as-fiduciary-for
22	that-bank-ander-this-section-for-the-accounting-period
23	during-which the subsidiary trust company is initially
24	cabstituted. Upon-substitution-under-this-section, the bank
25	shall-deliver-to-the-cabsidiary-trust-company-all-assets
	-6- HB 424

1	held by the bank as fiduciary (creept accets held for
2	account
3	substitution under this-section) and upon thissubstitution
4	all those assets shall become the property of the subsidiary
5	trust company without the necessity of any instranent of
6	transfer or convergence.
7	SECTION 7. TRANSPER OF FIDUCIALY BELATIONSHIPS FROM
8	APPILIATED BANKS TO SUBSIDIABLI TAUST COMPANIES. (1) UPON
9	ANY SUBSIDIARY TRUST COMPANY BEING DULY AUTHORIZED TO
10	COMBENCE THE BUSINESS FOR NHICH IT IS ORGANIZED, SUCH
11	SUBSIDIART TRUST COMPANY MAY FILE ITS VERIFIED APPLICATION
12	IN THE DISTRICT COURT OF THE COUNTY IN WHICH ITS MAIN OFFICE
13	IS LOCATED REQUESTING THAT IT BE SUBSTITUTED, EXCEPT AS MAY
14	BE EXPRESSLY EXCLUDED IN SUCH APPLICATION, IN EVERY
15	PIDUCIARY CAPACITY FOR EACH OF ITS APPILIATED BANKS
16	SPECIFIED IN THE APPLICATION, AND EACH SUCH SPECIFIED
17	APPILIATED BANK SHALL JOIN IN SUCH AFFLICATION. SUCH
18	APPLICATION SHALL INDICATE THE COUNTY PREKEIN THE MAIN
19	OPPICE OF EACH APPILIATED BANK JOINING IN THE APPLICATION IS
20	LOCATED AND SHALL DESIGNATE FACH FIDUCIALY ACCOUNT EXISTING
21	AT THE DATE THEBEOP WITH BESPECT TO WHICH SUCH SUBSIDIABY
22	TRUST COMPANY BEQUESTS SUBSTITUTION, BUT PIDUCIABY
23	CAPACITIES IN OTHER CASES NEED NOT BE LISTED. SUCH
24	APPLICATION SHALL ADDITIONALLY SET PORTH, WITZ REGARD TO
25	BACH EXISTING PIDUCIARY ACCOUNT DESIGNATED THREEIN, THE NAME
	-7 EB 424

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1	AND ADDRESS LAST KNOWN TO THE APPLICANT OF PACH FEBSON
2	ENTITLED TO BAILED NOTICE OF HEALING THELEON, TO WIT:
3	(A) IN THE CASE OF AN EXISTING PIDDCIARY ACCOUNT WHICH
4	MAY BE BEVOKED. TERBINATED OF ABENDED, EACH FERSON \$30.
5	ALOFE OR TOGETHER WITH OTHERS, IS EMPOWEBED TO REVOKE,
6	TERMINATE OR AMEND THE SAME:
7	(B) IN THE CASE OF AN EXISTING PIDUCIARY ACCOUNT WITH
8	BESPECT TO WHICH ANY PERSON OTHER THAN A COURT BAS THE FOREA
9	TO REMOVE THE CORPORATE PIDUCIAEY, EACH PESSON WHO, ALONE OR
10	TOGETHER WITH OTHERS. IS EMPOWELED TO BLHOVE THE COMPONATE
11	PIDUCIABY:
12	(C) IN THE CASE OF AN EXISTING PIDUCIARY ACCOUNT WHICH
13	IS AB ESTATE OF A DECEASED FERSON OR WHICH IS A GUARDIANSHIP
14	OF CONSERVATORSHIP. TO THE CLERK OF THE COURT IN WHICH SUCH
15	ESTATE, GUARDIANSHIP OR CONSELVATORSHIP MATTER IS PENDING:
16	(D) IN THE CASE OF AN EXISTING PIDUCIARY ACCOUNT NOT
17	DESCRIBED IN ANY OF THE POLEGOING SUBPARAGRAPHS, TO PACH
18	INCORE BENEFICIARY OF SUCH ACCOUNT AND TO EACH BENEFICIARY
19	WHO, WERE SUCH ACCOUNT TERMINATED AT THE DATE OF THE
20	APPLICATION RESPECTING SUCH ACCOUNT, WOULD BE ENTITLED TO
21	SHARE IN DISTRIBUTIONS OF INCORE OF PRINCIPAL THEREOF: AND
22	(B) IN THE CASE OF ANY EXISTING PIDUCIARY ACCOUNT
23	WHEBBID AN APPILIATED BANK SPPCIFIED IN THE APPLICATION IS
24	ACTING BITH & CO-PIDUCIARY, TO BACH SUCH CO-PIDUCIARY AT HIS
25	LAST_KNOWN ADDRESS.
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1	(2) WHEN ANY SUCH APPLICATION SHALL HAVE BEEN FILED.
2	THE CLERK OF THE COULT WHERE FILED SHALL MAKE AN ORDER
3	FIRING & DATE AND TIME FOR HEARING THEREON AND GIVE NOTICE
4	THEREOF AS HEREINAFTER PROVIDED. THE CLERK OF CODRT SHALL
5	CAUSE A COPY OF SUCH ROTICE TO BE RUBLISHED AT LEAST ONCE A
Ł	NEEN FOR THREE (3) SUCCESSIVE WEEKS PRECEDING THE HEARING
7	DATE. THE PIRST SUCH PUBLICATION TO BE AT LEAST TWENTY-PIVE
8	(25) DAYS PRECEDING THE HEARING DATE, SUCH PUBLICATION TO BE
9	IN A NEWSPAPER OF GENERAL CIRCULATION PUBLISHED IN FACE
10	COUNTY IN WHICH THE MAIN OPPICE OF AN APPILIATED BANK
11	SPECIFIED IN THE APPLICATION IS LOCATED, OR IF IN ANY CASE
12	THERE BE NO SUCH NEWSPAPER, THEN IN A NEWSPAPER OF GENERAL
13	CIECULATION PUBLISHED IN A CONTIGUOUS COUNTY. IN ADDITION,
14	AT LEAST TWENTY-PIVE (25) DAYS PRECEDING THE HEARING DATE,
15	THE CLEBK OF THE COURT SHALL CLUSE & COPY OF SUCH NOTICE TO
16	BE MAILED BY PIRST CLASS WALL TO EACH PERSON IDENTIFIED IN
17	THE APPLICATION AS BEING ENTITLED TO BALLED NOTICE UNDER THE
18	PROVISIONS OF THIS ACT, AT HIS ADDRESS LAST KNOWN TO THE
19	APPLICANT AS SET FORTH IN THE APPLICATION.
20	(3) THE MOTICE TO BE PUBLISHED AND MAILED WITH RESPECT
21	TO BACH SUCH APPLICATION SHALL STATE THE TIME AND PLACE OF
~~	THE HEADING THEREON, THE BANE OF THE SUBSIDIARY TRUST
23	COMPANY WHICH HAS FILED THE APPLICATION, THE NAME OF EACH
24	APPILIATED BANK WHICH GAS JOINED IN SUCH APPLICATION, THAT
25	THE APPLICATION DECRESTS THAT THE SUBSIDILEY TRUST COMPANY
	-9 HE 424

1	BE SUBSTITUTED IN EVERY FIDUCIARY CAPACITY FOR EACH OF 115
2	APPILIATED BARKS SPECIFIED IN THE APILICATION, AND THAT ANY
3	PERSON BENEPICIALLY INTERESTED IN ANY APPECTED PIDUCIARY
4	ACCOUNT MAY APPEAR ON OR BEFORE THE DATE OF HEALING AND FILE
5	HIS WRITTEN OBJECTION TO SUCH SUBSTITUTION AS TO SUCH
6	APPECTED FIDUCIARY ACCOUNT, AND SUCH NOTICE SHALL REPER TO
7	SUCH APPLICATION FOR FURTHER PARTICULARS.
8	(4) ON OR BPPORE THE DATE AND TIKE OF EPAHING ANY SUCH
9	APPLICATION, ANY PERSON BENEFICIALLY INTERESTED IN ANY
10	PIDUCIARY ACCOUNT AS TO WHICH SUBSTITUTION OF THE SUBSIDIARY
11	TRUST COMPANY IS REQUESTED, MAY APPEAR AND FILE OBJECTION TO
12	SUBSTITUTION ON THE COLE CROUND THAT SUCH SUBSIDIARY TRUST
13	CONVANT IS DEPLY TO ACT HITE RESPECT TO SUCE ACCOUNT, AND
14	SHALL BE ENTITLED TO BE HEARD WITH RESPECT TO SUCH
15	OBJECTION.
16	15) ON SUCH DATE OF HEARING, UFON FINDING THAT DUE
17	MOTICE HAS BEEN GIVEN AS REQUIRED BY THIS ACT AND UPON
18	PINDING THAT THE SUBSIDIARY TRUST COMPANY HAS BEEN DULY
19	AUTHORIZED TO COMMENCE THE BUSINESS FOR WHICH IT IS
20	ORGANIZED BY THE DEPARTMENT OF BUSINESS REGULATION, ON THE
21	COMPTROLLER OF THE CURRENCY IF THE SUBSIDIARY TRUST COMPANY
22	IS A NATIONAL BANKING ASSOCIATION, THE DISTRICT COURT SHALL
23	ENTER AN OBJES SUBSTITUTING THE SUBSIDIARY TRUST COMPANY IN
24	EVERY PIDUCIARY CAPACITY FOR EACH OF ITS SPECIFIED
25	APPILIATED BANKS, EXCEPTING AS MAY BE OTHERWISE SPECIFIED IN
	10 EB 424

1	THE APPLICATION, AND EXCEPTING FIDUCIARY CAPACITIES IN ANY
2	ACCOUNT WITH BESPECT TO WHICH AN OBJECTION HAS BEEN FILED
3	FURSUANT TO THIS SECTION AND THE DISTRICT COUNT AND POUND
4	PACTS BROULDING THAT SUCH OBJECTION BE ALLOWED. UPON FATRY
5	OF SUCE ORDES. THE SUBSIDIARY TRUST COMPANY SHALL, WITHOUT
6	PURTHER ACT. BE SUBSTITUTED IN EVERY SUCH PIDUCIALY
7	CAPACITY. SUCH SUBSTITUTION MAY BE MADE & MATTEL OF LECORD
ម	IN ANY COUNTY OF THIS STATE BY PILING A CERTIFIED COPY OF
9	THE ORDER OF SUBSTITUTION IN THE OPPICE OF THE CLEEK OF ANY
10	DISTRICT COURT IN THIS STATE OF BY FILING A CERTIFIED COPY
11	OF SUCH ORDER IN THE OFFICE OF THE CLERK AND RECORDED OF ANY
12	COUNTY IN THIS STATE TO BE BY SUCH OFFICER RECORDED AND
13	INDERED IN LIKE BANNES AND WITH LIKE EPPECT AS OTHER OBDERS
14	AND DECREES OF COURT ARE RECORDED AND INDEXED.
15	(6) EACH DESIGNATION IN A WILL OR OTHER INSTRUMENT
16	HERETOPORE OF HEREAFTER EXECUTED OF A BANK AS FIDUCIARY
17	SHALL BE DEEMED & DESIGNATION OF THE SUBSIDIARY TRUST
18	COMPANY SUBSTITUTED FOR SUCH BANK PUESDANT TO THIS SECTION
19	EXCEPT WHERE SUCH WILL OR OTHER INSTRUMENT IS PIECUTED AFTER
20	SUCH SUBSTITUTION AND EXPRESSLY NEGATES THE APPLICATION OF
21	THIS SECTION, ANY GRANT IN ANY SUCE WILL OF OTHER
22	INSTRUMENT OF ANY DISCRETIONARY FOWER SHALL BE DEERED
23	COMPERED UPON THE SUBSIDIARY TRUST COMPANY DEBAED
24	DESIGNATED AS THE PIDUCIARY POLSUANT TO THIS SECTION.
25	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE SUBSIDIARY
	—11— BB 424

1	TRUST COMPANY WHICH HAS BEEN SUBSTITUTED AS PIDUCIARY POR
2	SOCH BANK PURSDART TO THIS SECTION FOR THE ACCOUNTING PERIOD
З	DUBING WHICH THE SUBSIDIARY TRUST COMPANY IS INITIALLY SO
4	SUBSTITUTED. UPON SUBSTITUTION PUBSUANT TO THIS SECTION,
5	THE BANK SHALL DELIVER TO THE SUBSIDIARY TRUST COMPANY ALL
б	ASSETS BELD BY THE BANK AS PIDUCIALY (EXCEPT ASSETS HELD POL
7	ACCOUNTS NITH RESPECT TO WHICH THERE HAS BEEN NO
8	SUBSTITUTION PURSUANT TO THIS SECTION) AND UPON SUCH
9	SUBSTITUTION ALL SUCH ASSETS SHALL BECOME THE FROMENTY OF
10	THE SUBSIDIARY THUST COMPANY WITHOUT THE NPCHSSINY OF ANY
11	INSTRUMENT OF TRANSPER OR CONVEYANCE.
12	Section 8, Transfer of fiduciary relationships between
13	affiliatod banks(1)hnybankvhishbasrescived
14	approval, under costion 6, to maintain a trust office in the
15	same - building - with the main-office of any affiliated bank,
16	may-file an application in the district court in which - its
17	main-office-is-located, requesting-that it be substituted,
18	czoopt as may be expressly excluded is the application, in
15	every-fideolary-capacity-for-the-affiliated bank, and that
20	affiliated back-shall-join-in-the application
21	that-the-bank filing an application has received the
22	requisite approval from the department of busines
23	regulation-or-the-comptroller-of-the-currency-the-district
24	goart phall enter an order substituting the bank-in every
25	fiduoiary-capacity-for-thic-affiliated-bank,-cscoptacpay
	12 HB 424

1	be-otherwise-specified-in the application. Such application
2	way be wade or parte and need not list the fiduciary
3	capacitics is which substitution is made. Spon catry of
4	this-ordery the bask shall be substituted, without further
5	act, in-every-coot-tiduciary-capacity, and the substitution
ь	aay-be-evidenced-by filiby a copy of the order with the
7	olerk-of any-district-court in-this state or by-delivery for
H	recording a copy of the order to the clerk-andrecorder-of
9	aby-county-in this state. "That officer chall inder the
10	+bsfsbr-a6-3003296-bf6-319610-b96100-b96100-36-36-36-39630
11	(2) Bach-prior or succeeding designation in a will or
12	other instrument excouted by a bank as fiduoiary shall be
13	corsidered-a-designation-of-the-affiliated-banksabstituted
14	for that back and r this section, except where a will or
15	other-instrument-is excepted-aftertheabovesubstitution
1ò	and expressly negated the application of this section. Any
17	grant in any such will or other such instrument of any
18	disorctionary power shall be considered conferred upon the
19	affiliated bask cossidered decignated as the fiduoiary under
žu	this-section.
21	(3) A bank-shall account jointly with- the -affiliated
4 4	baakwhighhas-been sabstituted as fidusiary-for-that-bank
23	under this conting for the accounting period during which
4 4	theaffiliutedbankinitiallysubstitutedUpon
25	cubclitution under this cection, the bunk for which
	-13- BB 424

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t	gubstitution - has been sade shall deliver to the affiliated
2	bask-all-assets-beld-by-the-bank-as-fidisiary-(except-assets
3	held for accounts with respect of which there has been no
4	substitutionunder-this-section)-and-upon-this-substitution
5	all those assets shall become the property of the affiliated
б	bank without-the processity of any instrument or transfer of
7	₢₢₿₮₢₮₮₨₢ ₽
ò	SECTION 6. TRANSFER OF PIDUCIARY BELATIONSHIPS DETWEEN
9	APFILIATED BANKS. (1) ANY BANK WHICH HAS RECEIVED APPROVAL.
10	PURSUABL TO SECTION 6 TO MAINTAIN A TRUST OPPICE IN THE SAME
11	BUILDING WITH THE BAIN OPPICE OF ANY APPILIATED BANK HAY
12	FILE ITS VERIFIED APPLICATION IN THE DISTRICT COURT OF THE
13	COUNTY IN WHICH ITS BAIN OPPICE IS LOCATED REQUESTING THAT
14	IT BE SUBSTITUTED, EICEPT AS MAY BE EXPRESSLY EXCLUDED IN
15	SUCH APPLICATION, IN EVERY FIDUCIALLY CAPACITY FOR SUCH
16	APPILIATED BANK, AND SUCH APPILIATED BANK SHALL JOIN IN SUCH
17	APPLICATION. SUCH APPLICATION SHALL INDICATE THE COUNTY
18	NHERBIN THE MAIN OPPICE OF SUCH APPILIATED BANK IS LOCATED
19	AND SHALL DESIGNATE EACH FLOUCIARY ACCOUNT EXISTING AT THE
20	DATE THEBEOF WITH RESPECT TO WHICH THE APPLICANT BANK
21	REQUESTS SUBSTITUTION, BUT FIDUCIARY CAPACITIES IN OTHER
22	CASES NEED NOT BE LISTED. SUCH APPLICATION SHALL
23	ADDITIONALLY SET FORTS, BITE BEGARD TO FACH EXISTING
24	PIDUCIARY ACCOUNT DESIGNATED THEREIN, THE NAME AND ADDRESS
25	LAST KNOWN TO THE APPLICANT OF EACH PERSON ENTITLED TO
	14- ВБ 424

1	HAILED NOTICE OF HEABING THEREON, WHO SHALL BE THOSE PERSONS
2	SPECIFIED IN SUBSECTIONS (A) TO (B), INCLUSIVE, OF SECTION
3	<u>7.</u>
4	(2) SHEN ANY SUCE APPLICATION SHALL HAVE BEEN PILED,
5	THE CLERK OF THE COURT WHERE FILLD SHALL MAKE AN ORDER
6	FIXING & DATE AND TIME FOR BEAKING THEREON AND SJALL CAUSE
7	NOTICE THEREOF TO BE GIVEN BY PUBLICATION AND MAILING IN THE
8	HANNER LEQUIRED BY SECTION 7.
9	(3) THE NOTICE TO BE PUBLISHED AND MAILED WITH RESPECT
10	TO BACH SUCH APPLICATION SHALL STATE THE THE AND PLACE OP
11	THE BEARING THERBON, THE NAME OF THE BANK WHICH HAS FILED
12	THE APPLICATION, THE NAME OF THE APPILIATED BANK WHICH HAS
13	JOINED IN SUCH APPLICATION, THAT THE APPLICATION BEOUESTS
14	THAT THE APPLICANT BANK BE SUBSTITUTED IN EVERY PIDUCIABY
15	CAPACITY FOR THE APPILIATED BANK SPECIFIED IN THE
16	APPLICATION, AND THAT ANY PERSON BENEFICIALLY INTERESTED IN
17	ANY APPRCTED FIDUCIARY ACCOUNT MAY APPEAR ON OR DEPORE THE
16	DATE OF HEARING AND FILE HIS WEITTEN OBJECTION TO SUCH
19	SUBSTITUTIONS SUBSTITUTION AS TO SUCH APPECIED FIDDCIARY
20	ACCOURT OF THE SOLD GLOUND THAT THE APPLICABLE LANK 15 UPPLT
21	TO AGE BITS PROPER TO SUCH APPECEBD PIDUCIARY ACCOUNT, AND
22	SUCH NOTICE SHALL BEFER TO SUCH APPLICATION FOR FURTER
23	PARTICULARS.
24	(4) ON OR BEFORE THE DATE AND TIME OF HEARING ANY SUCH
25	APPLICATION, ANY PERSON BENEFICIALLY INTERESTED IN ANY
	15

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1	FIDUCIARY ACCOUNT AS TO WHICH SUBSTITUTION OF THE APPLICANT
2	BANK IS REQUESTED, MAY APPEAR AND FILE OBJECTION TO
3	SUBSTITUTION-ON-THE-GOLE-GROUND-THAT-GUCH-APPLICANT-BANKIS
4	UNFITTOACTWITHRESPECTTO-SUCH-ACCOUNT, AND SHALL BE
5	ENTITLED TO BE HEARD WITH RESPECT TO SUCH OBJECTION.
6	(5) ON SUCH DATE OF HEARING, UPON FINDING THAT DUE
7	NOTICE HAS BEEN GIVEN AS REQUIRED BY THIS ACT AND UPON
8	FINDING THAT THE APPLICANT BANK HAS RECEIVED THE REQUISITE
9	APPROVAL FROM THE DEPARTMENT OF BUSINESS REGULATION, OR THE
10	COMPTROLLER OF THE CURRENCY IF THE APPLICANT BANK IS A
11	NATIONAL BANKING ASSOCIATION, THE DISTRICT COURT SHALL ENTER
12	AN ORDER SUBSTITUTING THE APPLICANT BANK IN EVERY FIDUCIARY
13	CAPACITY FOR THE AFFILIATED BANK DESIGNATED IN THE
14	APPLICATION, EXCEPTING AS MAY BE OTHERWISE SPECIFIED IN THE
15	APPLICATION, AND EXCEPTING FIDUCIARY CAPACITIES IN ANY
16	ACCOUNT WITH RESPECT TO WHICH AN OBJECTION HAS BEEN FILED
17	PURSUANT TO THIS SECTION AND-THE-DISTRICTCOURTHAGPOUND
18	PACTSREQUIRING-THAT-SUCH-OBJECTION-BE-ALLOWED. UPON ENTRY
19	OF SUCH ORDER, THE APPLICANT BANK SHALL, WITHOUT FURTHER
20	ACT, BE SUBSTITUTED IN EVERY SUCH FIDUCIARY CAPACITY. SUCH
21	SUBSTITUTION MAY BE MADE A MATTER OF RECORD IN ANY COUNTY OF
22	THIS STATE BY FILING A CERTIFIED COPY OF THE ORDER OF
23	SUBSTITUTION IN THE OFFICE OF THE CLERK OF ANY DISTRICT
24	COURT IN THIS STATE OR BY FILING A CERTIFIED COPY OF SUCH
25	ORDER IN THE OFFICE OF THE CLERK AND RECORDER OF ANY COUNTY

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1	IN THIS STATE TO BE BY SUCH OPPICER RECORDED AND INDEXED IN
 4	LIKE FANNER AND WITH LIKE PPPECT AS OTHER ORDERS AND DECREES
د	OF COURT ALE RECORDED AND INDEXED.
4	(6) BACH DESIGNATION IN A WILL OF OTHER INSTRUMENT
5	HERETOFORE OF HEREAPTRE EXECUTED OF A BANK AS FIDUCIARY
6	SHALL BE DREMED A DESIGNATION OF THE APPLICANT BANK
7	SUBSTITUTED FOR SUCH BANK PUBSUANT TO THIS SECTION EXCEPT
8	WHERE SUCH WILL OF OTHER INSTAUMENT IS EXECUTED AFTER SUCH
5	SUBSTITUTION AND EXPRESSLY REGATES THE APPLICATION OF THIS
10	SECTION. ANY GRANT IN ANY SUCH WILL ON OTHER SUCH
11	INSTRUMENT OF ANY DISCRETIONARY POWER SHALL BE DREMED
12	CONFEREND UPON THE APPLICANT BANK DEEMED DESIGNATED AS THE
13	PIDUCIARY PURSUANT TO THIS SECTION.
14	(7) A BARK SHALL ACCOUNT JOINTLY WITH THE APPLICANT
14	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT
14 15	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT BANK WHICH HAS BEEN SUBSTITUTED AS FIDDCIABY POR SUCH BANK
14 15 16	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT BANK WHICH HAS BEEN SUBSTITUTED AS FIDDCIARY POR SUCH BANK PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD DURING
14 15 16 17	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT BANK WHICH HAS BEEN SUBSTITUTED AS FIDDCIARY POR SUCH BANK PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD DURING WHICH THE APPLICANT BANK IS INITIALLY SO SUBSTITUTED. UPON
14 15 16 17 18	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT BANK WHICH HAS BEEN SUBSTITUTED AS FIDDCIARY POB SUCH BANK PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD DURING WHICH THE APPLICANT BANK IS INITIALLY SO SUBSTITUTED. UPON SUBSTITUTION PURSUANI 10 THIS SECTION, THE APPILIATED BANK
14 15 16 17 18 19	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT BANK WHICH HAS BEEN SUBSTITUTED AS FIDDCIARY POR SUCH BANK PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD DURING WHICH THE APPLICANT BANK IS INITIALLY SO SUBSTITUTED. UPON SUBSTITUTION PURSUANT TO THIS SECTION, THE APPLILATED BANK FOR WHICH SUBSTITUTION HAS BEEN MADE SHALL DELIVER TO SUCH
14 15 16 17 18 19 20	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT BANK WHICH HAS BEEN SUBSTITUTED AS FIDDCIARY POB SUCH BANK PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD DURING WHICH THE APPLICANT BANK IS INITIALLY SO SUBSTITUTED. UPON SUBSTITUTION PURSUANT TO THIS SECTION, THE APPLILATED BANK POR WHICH SUBSTITUTION HAS BEEN MADE SHALL DELIVER TO SUCH APPLICANT BANK ALL ASSETS HELD BY SUCH APPLILATED BANK AS
14 15 16 17 18 19 20 21	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT BANK WHICH HAS BEEN SUBSTITUTED AS FIDDCIABY POR SUCH BANK PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD DURING WHICH THE APPLICANT BANK IS INITIALLY SO SUBSTITUTED. UPON SUBSTITUTION PURSUANI TO THIS SECTION, THE APPLILATED BANK FOR WHICH SUBSTITUTION HAS BEEN MADE SHALL DELIVER TO SUCH APPLICANT BANK ALL ASSETS HELD BY SUCH AFFILIATED BANK AS FIDUCIABY (ENCEPT ASSETS HELD FOR ACCOUNTS WITH RESPECT OF
14 15 16 17 18 19 20 21 21	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT BANK WHICH HAS BEEN SUBSTITUTED AS FIDDCIABLY POB SUCH BANK PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD DUBING WHICH THE APPLICANT BANK IS INITIALLY SO SUBSTITUTED. UPON SUBSTITUTION PURSUANI 10 THIS SECTION, THE APPLILATED BANK POB WHICH SUBSTITUTION HAS BEEN MADE SHALL DELIVER TO SUCH APPLICANT BANK ALL ASSETS BELD BY SUCH AFFILIATED BANK AS FIDUCIABLY (EXCEPT ASSETS BELD FOR ACCOUNTS WITH RESPECT OF WHICH THERE HAS BEEN BO SUBSTITUTION PURSUANT TO THIS
14 15 16 17 18 19 20 21 21 22	(7) A BANK SHALL ACCOUNT JOINTLY WITH THE APPLICANT BANK WHICH HAS BEEN SUBSTITUTED AS FIDDCIABY POR SUCH BANK PURSUANT TO THIS SECTION FOR THE ACCOUNTING PERIOD DURING WHICH THE APPLICANT BANK IS INITIALLY SO SUBSTITUTED. UPON SUBSTITUTION PURSUANI TO THIS SECTION, THE APPLILATED BANK FOR WHICH SUBSTITUTION HAS BEEN MADE SHALL DELIVER TO SUCH APPLICANT BANK ALL ASSETS HELD BY SUCH AFFILIATED BANK AS FIDUCIABY (ENCEPT ASSETS HELD FOR ACCOUNTS WITH BESPECT OF WHICH THERE HAS BEEN BO SUBSTITUTION PURSUANT TO THIS SECTION) AND UPON SUCH SUBSTITUTION ALL SUCH ASSETS SHALL

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1	Section 9. Section 86-905, R.C.M. 1947, is amended to
2	read as follows:
3	86-905. Transfer of office prohibited. The Except as
4	provided in sections [7 and 8 of this act], the trustee
5	shall not transfer his office to another or delegate the
6	entire administration of the trust to a co-trustee or
7	another."
8	SECTION-10
9	AND-TRUST-CORRESPONDENT-RELATIONSHIPS,NOTHING-INSECTIONS
10	2
11	HAVING-ITS-MAIN-OFFICE-IN-THISSTATEPROMBSTABLISHINGA
12	55555554ARYWHICHISATRUSTCOMPANYORTO-PROHIBIT-OR
13	Restrict-Any-group-of-banks-having-their-main-oppice-oppices
14	in-Thig-State-Prom-Acting-Jointly-To-Establish-oneormore
15	TrustCompanies7Provide97Thay-No-Such-Trust-Company-May
16	ACCEPT-BEPOSITSOROTHERWISECONDUCTCOMMERCIALBANKING
17	BuginessPurtherNothinginSections2-TO-8-Shall-BB
18	Construeb-as-in-any-way-limiting-or-restricting-theability
19	of anybankhavingiqgmainoppigeinthiggtate-to
20	establich-a-trust-correspondent-relationship-with-anyother
21	BANK-HAVING-TRUST-POWERG.
22	Section 10. Effective date. This act is effective on
23	its passage and approval.

-End-

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