

DIVISION OF BANKING

1601 N. Harrison Ave., Suite 1, Pierre, SD

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NONDEPOSITORY TRUST COMPANY CHARTER APPLICATION

Name of Proposed Trust Company:

Street Address:

City: State: Zip:

Mail Address (If different than Street Address):

City: State: Zip:

Contact Email Address:

Type of trust company: (See definitions in Attachment A)

Private Trust Company

Public Trust Company

Individual responsible for answering questions about and coordinating this application:

Name:

Phone Number:

Mailing address:

Email address:

ATTESTATION

We, the undersigned incorporators or organizers, hereby apply to the Director of the South Dakota Division of Banking (Director) for a charter to establish and operate a South Dakota trust company pursuant to Title 51A of South Dakota Codified Laws. In connection with this application, we jointly and severally attest that the responses and information herein provided are complete, true, and correct to the best of our knowledge and belief. We acknowledge and understand that any misrepresentation or omission of material fact presented in this application or submitted by the applicants in connection with the organization of this trust company may, in the discretion of the Director, constitute grounds for denial of the application.

Name (typed)	Signature	Date

I. Proposed Market

Provide a brief description of the market the proposed trust company intends to serve. Include a discussion of the specific demographic profile the trust company plans to target, and the competitive mix and environment for trust services in the market. If a comprehensive feasibility study has been prepared, attach a copy of the study in lieu of a summary description.

II. Proposed Business Presence in South Dakota

Provide a brief description of the business presence in South Dakota. Include a description of officers and employees located in South Dakota, the office space to be occupied, and other economic benefit which will accrue to the state.

III. Trust Administration to be performed in South Dakota (See definitions in Attachment A)

Provide a detailed description of the trust administration that will be performed in South Dakota and whether those activities will be performed by an employee of the proposed trust company or a third party.

- C. What provisions have been made or are planned for internal and external auditing of the proposed trust company?

VI. Servicing Agents

Describe all other service agents the proposed trust company will use. Attach copies of any proposed contracts, and provide estimated costs for the activity on an annualized basis. Also provide documentation of the due diligence supporting the selection of any such agent.

VII. Insurance

Provide a summary of the proposed trust company's fidelity bond and Director's and Officer's (D&O) insurance covering the company, directors, and employees. The applicant is encouraged to include an errors and omissions clause within the D&O insurance policy.

VIII. Capitalization

- A. Provide a description and reconciliation of capital with which the proposed trust company will commence business. Include a specific breakdown and description of any classes of voting securities, and the terms of any subordinated debt to be included.

Description (Capital Segregation)	Amount (000s)

- B. Attach a copy of the proposed Articles of Incorporation or Articles of Organization.
- C. If initial capital is to be raised in a public offering, attach a copy of the prospectus. If a private placement is to be utilized, attach a copy of the offering letter.
- D. Attach a comprehensive Capital Plan utilizing a 3 – 5 year outlook. The Plan should at minimum identify capital levels that correlate to account type and anticipated account growth, funding type and sources, and management oversight and documentation procedures.

IX. Statement of Principles of Trust Management

The incorporators/organizers agree to adopt the Statement of Principles of Trust Management (Attachment C) at the organizational meeting of the proposed trust company.

The Statement may be revised as appropriate for the business plan of the company, but should address each component.

Trust Charter Application: Confidential Section

X. Performance Projections

A. Complete the *pro forma* schedule of the estimate of trust business by type including the number of accounts, and anticipated dollar market value for the proposed trust company's first three years of operation.

Pro Forma

Estimated Trust Business – First Three Years

Trust Activity By Type of Account	Year 1		Year 2		Year 3	
	Amount (000)	Accts (#)	Amount (000)	Accts (#)	Amount (000)	Accts (#)
<u>Discretionary Accounts</u>						
Personal Trusts and Estates						
Employee Benefit Trusts and Agencies						
All Other Fiduciary Accounts						
Total Discretionary Accounts						
<u>Non-Discretionary Accounts</u>						
Personal Trusts and Estates						
Employee Benefit Trusts and Agencies						
All Other Fiduciary Accounts						
Total Non-Discretionary Accounts						
Total Discretionary and Non-Discretionary Accounts						
	Amount (000)	Accts (#)	Amount (000)	Accts (#)	Amount (000)	Accts (#)
Custody and Safekeeping Accounts						
	Amount (000)	Funds (#)	Amount (000)	Funds (#)	Amount (000)	Funds (#)
Pooled Investment Funds						

- B. If the incorporators/organizers intend to transfer into the proposed trust company accounts and/or assets in existence at the time of application, provide a list of all accounts identifying the account type, market value, and company capacity (directed or discretionary). Also, provide a list of any non-publicly traded assets owned outright or held in privately or closely held entities such as corporations, partnerships, limited liability companies, limited partnerships, family limited partnerships, etc., identifying the asset type, market value, and company capacity (directed or discretionary). Examples of non-publicly traded assets include real estate, collectibles, private equity, venture capital, hedge funds, etc.
- C. Complete the *pro forma* income, expense, and capital position for the proposed trust company's first three years of operation.

Pro Forma

Estimated Income and Expenses – First Three Years

Description	Year 1	Year 2	Year 3
INCOME:			
Fees			
All Other Fiduciary Income			
Total Fiduciary Income			
EXPENSES:			
Salary & Employee Benefits			
Other Direct Expenses			
Allocated & Indirect Expenses			
Total Expenses			
Net Income (Loss)			
Capital Position			

XI. Business Plan

Attach a copy of the proposed trust company’s business plan.

XII. Management

A. **Directors:** List all directors or managers, specifically designating the Chairman, Vice Chairman, and committee assignments, if known. [Director requirements may be found in SDCL 51A-6A-13]

Name		Title		Committee Assignment(s)

B. Describe plans for compensation of directors, if any, including fees for attending meetings, retainers, salary, deferred compensation, stock option plans, insurance benefits, etc.

C. **Officers:** List all officers, including names, titles, brief description of duties, and proposed salaries.

Name		Title and Duties		Salary

D. Describe plans for non-salary compensation, if any, for non-director officers, including deferred compensation, profit-sharing, stock option plans, bonuses, insurance benefits, etc.

2. Credit report from consumer reporting agency as described in 15 U.S.C01681a(p).
3. Report of ongoing or pending litigation – a report prepared by an independent third-party is preferred, but a sworn affidavit by each individual is acceptable.

*****See SDCL 51A-6A-17 for additional detail on these requirements.

Revised – 2015.02.10