TRUST COMPANY APPLICATION

NORTH DAKOTA DEPARTMENT OF FINANCIAL INSTITUTIONS
BANKING AND TRUST COMPANIES DIVISION
SFN 2166 (Rev. 3-2020)

2000 Schafer Street, Suite G
Bismarck, ND 58501-1204
Telephone (701) 328-9933
Fax Number (701) 328-0290
Email dfi@nd.gov

ORGANIZATION CERTIFICATE
AUTHORIZING A TRUST COMPANY TO TRANSACT BUSINESS

Name of Trust Company

NAME	ADDRESS	SHARES OF STOCK SUBSCRIBED FOR

The trust company hereby makes application to transact business and proposes the following:

1. That the trust company has the following title

2. That the proposed site of the trust company be located at

Address		
City	County	State North Dakota

3. That said trust company be authorized to issue shares of capital stock, for a total consideration of $.

4. That the above named individuals have subscribed for a total of shares at $100 per share.

5. That the balance of the capital stock of the proposed trust company that is to be disposed of shall be (has been) offered as follows:

(A verified and sworn financial statement must be furnished by all subscribers of 10% or more of the capital stock.)

6. That the total consideration received by said trust company for shares issued by it be allocated as follows:

Common Capital $	(Divided into	shares of par value of $100 each)
Surplus $		
Undivided Profits $		
Total Consideration $		

7. That the proposed capital structure as required by North Dakota Century Code Section 6-05-03 is as follows:

Capital Stock $	(Not less than $1,000,000)
Number of Shares	at $100 par value
Amount of capital stock subscribed $	
Amount of capital in liquid assests $ _____	(Not less than $500,000)

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF _____)

On this _____ day of _____, _____, before me _____

a notary public in and for _____ County, North Dakota, personally appeared

_____

_____

_____

being first duly sworn, each individual deposes and says that they are one of the incorporators of the above-named trust company; that each individual has read the foregoing application and knows the contents thereof; that the facts stated therein are true and, except as to the matters stated on information and belief deponents, know them to be true.

Signed and sworn to (or affirmed) before me this	Date

Signature of Notary Public or Other Authorized Officer	Affix Notary Stamp
County	
Commission Expiration Date	

APPLICATION: SUPPORTING DATA

TO: Department of Financial Institutions
2000 Schafer Street, Suite G
Bismarck, North Dakota 58501-1204

The following supporting data is hereby supplied by the Incorporators-Applicants in support of their application for authority to transact business as a trust company. Please submit an original and seven copies.

1. Name of Proposed Trust Company			
2. Street Address	City	County	State North Dakota

3. Proposed Board of Directors (not less than 3 nor more than 25, at least two-thirds must be citizens of the United States.)

NAME	ADDRESS	BUSINESS/OCCUPATION

(If more space is needed, attach a separate sheet)

4. Proposed officers and key employees:

NAME	ADDRESS	YEARS EXPERIENCE	BUSINESS/OCCUPATION

The above proposed directors, officers, and key employees are required to furnish Exhibit A (pages 11 through 13) and Exhibit B (pages 14 through 17) and verified and sworn financial statements.

5. Proposed salaries to active officers and employees for the first three years: (Attach a separate sheet if additional space is needed.)

TITLE	1ST YEAR	2ND YEAR	3RD YEAR
President	$	$	$
Vice President			
Treasurer			
Secretary			
Trust Officer			
Other (Specify):			
Bookkeeper/Clerical			
TOTALS	$	$	$

6. Estimated income of proposed trust company for the first three years:

	1ST YEAR	2ND YEAR	3RD YEAR
Interest on Securities	$	$	$
Trust Fees and Service Charges			
Other Miscellaneous Commissions and Fees			
TOTAL EARNINGS	$	$	$

7. Estimated expenses of proposed trust company for the first three years:

	1ST YEAR	2ND YEAR	3RD YEAR
Salaries and Employee Benefits	$	$	$
Interest on Trust Deposits			
Interest and Discount on Borrowings			
Taxes (other than on income)			
Recurring Depreciation on Fixed Assets			
Advance, Travel, and Promotional Expenses			
Supplement and Contractual Expense			
Rent of Quarters and Equipment			
Other Current Operating Expenses			
TOTAL EXPENSES	$	$	$

8. Do you propose to adopt a uniform schedule of trust company service charges?
☐ No ☐ Yes - Attach schedule.

9.a. Provide a schedule of the estimate of the trust business by type, including the number of accounts and anticipated dollar market value that may be obtained in each year over a period of three years of operation.

TYPE	1ST YEAR		2ND YEAR		3RD YEAR	
	# Accounts	Value	# Accounts	Value	# Accounts	Value
		$		$		$
		$		$		$
		$		$		$
		$		$		$
		$		$		$

9.b. Describe source data, survey, other economic assumptions used in arriving at the above estimates.

10. Population of the community in which the proposed trust company is to be located as of:

2000	2010	Present Estimate

a. Estimated population of the proposed service area from which the proposed trust company is expected to generate 75% or more of its business as of:

2000	2010	Present Estimate

b. The proposed service area extends from the proposed trust company site approximately:

miles north	miles south	miles east	miles west

11. Outline on a current map (with a scale of miles and compass points) the boundaries of the proposed trust company's service area. Indicate by appropriate markings the exact location of the proposed trust company's site and the location of all existing financial institutions listed above. (Attach a separate sheet and refer to it as Appendix A.)

12. List name, location (city), and total capital and assets of all trust institutions that serve the proposed trust company's service area from their existing locations. List the distance of each financial institution from the proposed trust company site, as well as all trust companies and banks with trust powers in the county of your location. (Attach a separate sheet and refer to it as Appendix B.)

13. Number of business institutions in proposed service area:

Agricultural Equipment and Supply Sales and Service Firms	
Automobile and Trucks Sales and Service Firms	
Entertainment Centers	
Hospitals	
Hotels and Motels	
Newspapers	
Professional Offices	
Public Utilities	
Radio and Television Stations	
Real Estate and Insurance Offices	
Other	
TOTAL	

14. Facilities of proposed Trust Company:

a. ☐ Trust company building will be constructed OR ☐ Existing structure will be utilized by the proposed trust company

b. If the proposed trust company will own the building, please indicate the following:

Size of Building Sq. Ft.	Size of area within building to be utilized by proposed trust company Sq. Ft.
Ownership of Building (describe in detail)	
Cost of Land and Building	Land and Building Purchased From:
If a portion of the building is to be leased to third parties, state the estimated income and to whom income will be credited	

c. If facility will be leased by proposed trust company, please indicate the following:

Area to be Leased Sq. Ft.	Terms and Duration of Lease
From whom the proposed trust company will lease its facilities	

d. Attach a recent photograph of proposed trust company site and surrounding area.

e. Indicate whether the proposed trust company facility will include the following services within the first year of its existence:

Off-Street Parking ☐ No ☐ Yes - number of automobiles that will be accommodated?	Vaults ☐ No ☐ Yes - estimated cost of each: $
Security Program ☐ No ☐ Yes - description of security program	Other Types of Services
Cost breakdown of the security program	
Types of liability and property insurance protection to be obtained	

f. If the seller or lessor of land, building, or equipment to the proposed trust company is otherwise directly or indirectly associated with this application, disclose the nature of this relationship and transaction. This includes applicant's proposed directors, officers, employees, stockholders, or their families or business interests of the above mentioned.

15. What plans have been made to obtain fidelity insurance?

16. Identify any feasibility study, statistical or economic survey or similar detailed data that will be introduced into the record at the hearing. Attach as an Exhibit.

17. If purchase of stock has been or will be pledged, give the following information:

Name of Pledger	Pledgee's Name and Address	Consideration for Pledge	Number of Shares Pledged

18. The minimum requirement for sound practices in the operation of a trust company, and as safeguards for the protection of depositors, fiduciary beneficiaries, creditors, stockholders and the public, should include:

a. Operation of the trust company must be separate and apart from every other department of the company, with trust assets separated from other assets owned by the company.
b. Maintenance of a separate set of books and records for the trust company in sufficient detail to properly show all trust company activities.
c. It is agreed by the incorporators that adequate trust records and filing systems will be installed and maintained and that the Board will be consulted in advance as to their adequacy.

d. If the above requirements cannot be met, please explain in detail.

19. It is agreed by the incorporators and proposed directors that the following Statement of Principles of Trust Management will be adopted at the first Board of Directors meeting:

a. Designate an officer, qualified and competent, to be responsible for and administer the activities of the trust company, and define their duties:

b. Name a Trust Committee consisting of at least three trust officers or directors to be responsible for the day-to-day activities of the trust company. The Trust Committee should:

1. Meet at least once every month;
2. Review the assets of each trust account at least once during each period of twelve months;
3. Approve all purchases, sales and changes of trust assets;
4. Approve the opening of all new trust accounts;
5. Approve the closing of trust accounts;
6. Keep full minutes of its actions, including its actions on matters included in 1 through 5 above; and
7. Make periodic reports to the board of its actions.

Trust Committee Members

19. Continued

c. Provide competent legal counsel to advise the trust officers and the trust committee on legal matters pertaining to the administration of the trust company;

d. Provide a joint custody of trust assets under at least two or more officers and employees;

e. Present a report of all activities and actions of the Trust Committee to the Board of Directors for approval or disapproval. All actions by the Board of Directors will be recorded in the minutes.

f. Make or cause to be made an annual audit of the trust company at least once during each period of twelve months and, where possible and practical, provide for internal controls over the trust company; and

g. Review the examination reports of the trust company by supervisory agencies and record its actions thereon in its minutes.

20. The applicants are aware of the various provisions of state law which affect the operations of a trust company, and particularly the following:

a. That a trust company cannot accept checking accounts or demand deposits or exercise other banking powers unless expressly provided for by specific statutes.

b. That a surety deposit for faithful performance will be established in accordance with the provisions of North Dakota Century Code Section 6-05-04.

21. Indicate to whom you wish all instructions and notices to be sent:

Name		Telephone Number	
Address	City	State	Zip Code

CONFIDENTIAL

IMPORTANT: Information required on this page pertains to the proposed managing officer and must be completed in detail and filed together with Exhibit A and Exhibit B, no later than 15 days prior to the hearing date.

For the sole information of the State Banking Board, we hereby furnish the following information with reference to the proposed managing officer of the trust company named in the application.

Name			Years Experience
Address	City	State	Zip Code
Current Employer		Current Salary $	
Describe in detail the duties, responsibilities, and proposed starting salary of the proposed managing officer			
Have copies of Exhibit A been executed by the proposed managing officer and filed with the application? ☐ Yes ☐ No			
Have copies of Exhibit B been executed by the proposed managing officer and filed with the application? ☐ Yes ☐ No			

To be signed, if information called for on this page is not filed with the original application.

The incorporators hereby certify and agree that the information called for on this page together with Exhibits A and B will be filed within 15 days prior to the hearing date, and that failure to file said information within the time required will, unless expressly waived by the State Banking Board, result in the summary denial of the application.

INCORPORATORS-APPLICANTS	
Date	

EXHIBIT A

CONFIDENTIAL

We, the undersigned Incorporators-Applicants understand that before the State Banking Board may grant permission to the proposed incorporators to present the Organization Certificate to the Secretary of State for a charter, the statutory requirements as set forth in North Dakota Century Code Chapter 6-05 must be established.

1. That the applicants are of good moral character, integrity, reputation, and financial standing.
2. That there is reasonable public demand for such trust company in such location.
3. That the organization expenses are paid by the subscribing shareholders.
4. That the probable volume of business in such location is sufficient to insure and maintain the solvency of the new trust company, and the solvency of the then existing trust companies or banks in such locality, without endangering the safety of any trust companies or banks in said locality as a place of deposit of public and private money.
5. That the proposed trust company will be properly and safely managed.

The undersigned Incorporators-Applicants, therefore, respectfully request that the State Banking Board issue its order granting permission to the incorporators and directing the Commissioner of Financial Institutions to present said order together with the Organization Certificate to the Secretary of State for a Charter.

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF _____)

On this _____ day of _____, _____, before me _____

a notary public in and for _____ County, North Dakota, personally appeared

_____

_____

being first duly sworn, each individual deposes and says that they are one of the incorporators of the above-named trust company; that each individual has read the foregoing application and knows the contents thereof; that the facts stated therein are true and except as to the matters stated on information and belief deponents know them to be true.

Signed and sworn to (or affirmed) before me this	Date

Signature of Notary Public or Other Authorized Officer	Affix Notary Stamp
County	
Commission Expiration Date	

AFFIDAVIT

Regarding Ownership and Participation in Business Activities of the Proposed Trust Company

All of the following questions are to be answered under penalty of perjury by each of the proposed incorporators-applicants, directors, and officers. Questions 4 through 7, inclusive, are to be answered by each of the proposed purchasers of ten percent or more the trust company stock who are not proposed officers or directors. Submit in duplicate.

* *

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF _____)

Affidavit of Ownership and Participation in Business Activities of the Proposed Trust Company

Name of Proposed Trust Company

* *

Answer the following questions if the application for authority to transact business as a trust company at the proposed location is approved:

1. Will you personally perform the duties of an officer or director so that the trust company will be operated only for the purpose set forth in North Dakota Century Code Chapter 6-05? ☐ Yes ☐ No

2. How long have you known each of the other proposed directors? -- Officers?

NAME	PERIOD OF TIME KNOWN

3. In your participation as a proposed officer, director, or incorporator, will you be acting solely on your own behalf and not as an agent, representative or trustee for some other principal or beneficiary?
☐ Yes ☐ No - Explain fully.

4. Will the shares proposed to be purchased by you be paid for with your own funds and not with the funds of any other person, firm or corporation or funds derived from a pledge of the shares?
☐ Yes ☐ No - Explain fully.

5. Under your present financial circumstances, have you entered into any contract or understanding or do you intend within five (5) years to sell, assign, hypothecate or encumber any of said shares to be purchased by you?
☐ No ☐ Yes - Explain fully.

6. Do you contemplate using the business or facilities of the trust company for your own personal gain, directly or indirectly, in connection with any other business in which you may engage?
☐ No ☐ Yes - Explain fully.

I hereby acknowledge and agree that any misrepresentation or omission of a material fact with respect to the foregoing representations or with respect to any other documents or papers which contain my signature and have been submitted in connection with the application of the proposed trust company for authority to operate and transact business as a trust company, shall, unless expressly waived by the State Banking Board, constitute fraud in the inducement and grounds for denial of a state trust company charter in this or any other matter; and grounds to require my resignation as a director or officer of said trust company and may subject me to other legal sanctions.

Date

Signature

Proposed (Check all that apply)	☐ Applicant-Incorporator	☐ Director	☐ Officer

Signed and sworn to (or affirmed) before me this	Date

Signature of Notary Public or Other Authorized Officer	Affix Notary Stamp
County	
Commission Expiration Date	

EXHIBIT B

CONFIDENTIAL

BIOGRAPHICAL STATEMENTS MUST FOLLOW THIS FORM

Instructions:

1. This form is to be completed by each proposed director, officer, and key employee.
2. Submit an original and seven copies. Sign all copies.
3. Answer all questions. If more space is needed to answer any questions, attach an additional sheet and identify by number.

BIOGRAPHICAL STATEMENT OF APPLICANT-INCORPORATOR, DIRECTOR, OFFICER, STOCKHOLDER OR EMPLOYEE

Name of Proposed Trust Company			
Address	City	State	Zip Code

1. Full Name				
2. Other names you have used or are now using (If none, so state)				
3. Date of Birth	Place of Birth			
4. Business Address	City	State	Zip Code	Telephone Number
5. Residence Address	City	State	Zip Code	Telephone Number
6. List previous residences during the past ten (10) years				
7. Education				
Name of High School				Years Attended
Address	City	State	Zip Code	
Colleges or Other Schools (Describe in detail giving name, address, years attended, field of study, and degree received)				
8. Present Occupation or Business Activities (Describe in detail giving name, address, and type of business)				

9. Past Occupations and Business Activities

a. Have you ever been discharged from employment for reasons other than lack of work? ☐ No ☐ Yes - Explain fully.

b. Have you ever been required by a former employer to tender your resignation? ☐ No ☐ Yes - Explain fully.

10. List all interests and extent thereof now held by you or held by you within the past five (5) years in the following:

a. FINANCIAL INSTITUTIONS:

Any State-chartered bank or Trust Company
Any Other Financial Institution

b. Business Allied to Real Estate Sales and Development:
c. Building Construction Business:
d. Insurance:
e. Business Allied to Installment Lending Activities:
f. Business Allied to Investment or Investment Advisory:

11. Have you ever been affiliated with any proposed domestic, foreign, state, or federal financial institution which did not become operative?
☐ No ☐ Yes - Explain extent of interest and nature of affiliation:

12. Have you every been arrested?
☐ No ☐ Yes - Give full history of charge, the year thereof, place, and final disposition:

13.a.

	NO	YES
Have you or a closely held business ever filed a voluntary petition in bankruptcy?		
Have you or a closely held business ever had an involuntary petition in bankruptcy filed against you?		
Have you or a closely held business ever been involved in a forced liquidation?		
Have you or a closely held business ever been involved in an equitable receivership?		
Have you or a closely held business ever been involved in any proceeding similar to those above?		

13.b. If the answer to any of the foregoing is "yes", give full details thereof, including bankruptcy number, date, place, name of business, and final disposition:

14. Describe any pending civil litigation of any nature in which you are involved as plaintiff or defendant: (State nature of case and number and court in which pending.)

15. Are you now serving or have you ever served in the following capacities? If "yes", give full details, include circumstances and dates services commenced and terminated. (If involuntary resignation, so state and explain.)

(a) Trustee:	☐ No	☐ Yes
(b) Guardian:	☐ No	☐ Yes
(c) Executor:	☐ No	☐ Yes
(d) Administrator:	☐ No	☐ Yes
(e) Similar Fiduciary Capacity:	☐ No	☐ Yes

16. Provide two (2) credit references (If possible, list your financial institution connection and the report of a credit reporting agency such as Dunn and Bradstreet.)

NAME	ADDRESS

17. Give names and addresses of three (3) individual character references:

NAME	ADDRESS

18. List any other matters that you feel bear upon your character, experience and general fitness to engage in the trust business (civic, professional, church, or social affiliations)

Name of Proposed Trust Company

I hereby acknowledge and agree that my misrepresentation or omission of a material fact with respect to the foregoing representations or with respect to any other documents or papers which contain my signature and been submitted in connection with the application of the above named proposed trust company for authority to operate and transact business as a trust company, shall unless expressly waived by the State Banking Board, constitute fraud in the inducement and grounds for denial of a state trust company charter in this or any other matter; and grounds to require my resignation as a director or officer of said trust company and may subject me to other legal sanctions.

Date _____ Signature _____

Proposed (Check all that apply): ☐ Applicant-Incorporator ☐ Director ☐ Officer

Signed and sworn to (or affirmed) before me this	Date	
Signature of Notary Public or Other Authorized Officer		Affix Notary Stamp
County		
Commission Expiration Date		

INSTRUCTIONS

THIS APPLICATION WILL NOT BE ACCEPTED FOR PROCESSING BY THIS DEPARTMENT IF THE REQUESTED DATA IS INCOMPLETE. THE INFORMATION WHICH YOU PROVIDE WILL BE USED IN CONNECTION WITH THIS MATTER AND IN CONNECTION WITH THE ADMINISTRATION OF THE PERTINENT LAW AND WILL BE PUBLIC RECORD, EXCEPT FOR CERTAIN CONFIDENTIAL PARTS AS IDENTIFIED. NORTH DAKOTA CENTURY CODE, CHAPTER 6-05.

A. The application for an Organization Certificate Authorizing a Trust Company to Transact Business and Application: supporting data shall be completed and submitted to the Department of Financial Institutions, 2000 Schafer Street, Suite G, Bismarck, North Dakota 58501-1204, pursuant to the following procedure:

1. An application for an Organization Certificate Authorizing a Trust Company to Transact Business. (Application consists of three pages - pages 1 through 3.)

   a. An original and two duplicate originals of organization Certificate Authorizing a Trust Company toTransact Business (in original signatures for recording with the Secretary of State) and, in addition, an original (copy with original signatures) and seven copies of Organization Certificate Authorizing a Trust Company to transact business must be completed in detail, and executed by nine or more incorporators, at least three of whom must be residents of this state. (See North Dakota Century Code Section 6-05-01.)

   b. The name of the proposed trust company must be listed, and must be such as to distinguish it from all other corporations doing business in the state and must contain the words "Trust Company". (See North Dakota Century Code Section 6-05-02.)

   c. The capitalization of the proposed trust company shall not be less than $1 million, with no less than $500,000 of that amount in liquid assets, prior to the commencement of business operations as provided by the Code. (See North Dakota Century Code Section 6-05-03.)

   d. A surety deposit of at least $50,000 must be made prior to the commencement of business operations. (See North Dakota Century Code Section 6-05-04.)

   e. Every corporation organized under the laws of North Dakota for the purpose, in whole or part, of transacting the business of fidelity or corporate suretyship must comply with the provisions of North Dakota Century Code Chapter 6-05 and Chapter 26.1-26.

   f. A check payable to the Department of Financial Institutions, in the amount of $1,500 for an application to exercise trust powers or $5,000 for an application to transact business as a trust company, shall accompany this application. (See North Dakota Century Code Section 6-01-17.1.)

2. Required Supporting Data. Supporting Data (consists of 7 pages - pages 4 through 10), Exhibit A (consists of 3 pages - pages 11 through 13), Exhibit B (consists of 4 pages - pages 14 through 17), and sworn financial statements, must be submitted in an original and seven copies.

   a. The name and exact location of the proposed trust company shall be disclosed in the manner prescribed in questions #1 and #2 of the application.

   b. Questions #3 and #4 call for the name, residential address, and business or employment of each of the proposed directors, officers, and key employees of the proposed trust company. An Affidavit of Ownership and Participation in the Business Activities of the proposed Trust Company (see Exhibit A), and a Biographical Statement (see Exhibit B) must be completed individually by each applicant and/or person listed in Questions #3 and #4 and filed with this application (see page 4). This is also required for subscribers of 10% or more of the capital stock to be issued.

   c. All applicants and/or persons listed in questions #3 and #4 are required to file detailed financial statements with the application under separate cover. This also applies to subscribers of 10% or more of the capital stock to be issued.

   d. Copies of all working papers containing figures or information used in arriving at the estimated or projected figures required to answer questions #5 through #12, shall be retained and made available, upon request, to the State Banking Board or any party to the hearing no later than seven days prior to the hearing date.

3. If the information called for pertaining to the proposed managing officer is not supplied with the original application, the incorporators shall sign their names and date the document in the spaces provided. Exhibits A and B, signed by the proposed managing officer, may then be filed within the time specified.

4. The proposed application will be reviewed by the Department of Financial Institutions for completeness. If the application is considered complete, the application will be presented to the State Banking Board. The Department of Financial Institutions will not be responsible for delays due to failure to submit a complete application.

B. Hearing on the Application

1. Upon the filing of the Application and required supporting data with the State Banking Board, a date for hearing will be set within the next 90 days but not less than 30 days.

2. The State Banking Board, by its secretary, will issue the Notice of Hearing at least thirty days prior to the date of hearing on the application. Notice will be mailed to all banks and trust companies within the same service area as the location of the proposed trust business is to be transacted and published three times in the official newspaper of the county, as provided in the North Dakota Administrative Code Chapter 13-01.1-04.)

3. Please indicate in the space provided Item 21, page 9 of Supporting Data the name and address of the person to whom you wish all instructions and notices to be sent.

C. Confidential Information

1. Information included in the application marked confidential as per North Dakota Century Code Section 6-01-07.1(1)(e) must meet the following criteria: trade secrets and commercial or financial information; personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

2. Determination of what required application information is considered public or nonpublic rests with the State Banking Board.