

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. [BILL NUMBER]

Special purpose depository institutions.

Sponsored by: HDraft Committee

A BILL

for

1 AN ACT relating to banking; making legislative findings;
2 creating special purpose depository institutions as a new
3 financial institution; authorizing special purpose depository
4 institutions to conduct business in virtual currency;
5 requiring licensure as a money transmitter to conduct
6 business in virtual currency; exempting special purpose
7 depository institutions from permissible investments
8 requirements relating to money transmission; providing that
9 special purpose depository institutions shall be mutual
10 institutions with dividends and assessments; limiting
11 membership to non-natural persons engaged in a bona fide
12 business; requiring compliance with applicable federal laws;
13 authorizing the use of a specialized technology platform;

1 establishing procedures for the incorporation, chartering and
2 operation of special purpose depository institutions;
3 establishing procedures for the liquidation, receivership and
4 dissolution of special purpose depository institutions;
5 requiring a surety bond or pledged investments; requiring the
6 adoption of rules; exempting special purpose depository
7 institutions from federal depository insurance requirements;
8 making conforming amendments; authorizing employees; making
9 an appropriation; requiring the adoption of rules; and
10 providing for effective dates.

11

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

13

14 **Section 1.**

15

16 (a) The legislature finds the following:

17

18 (i) The rapid innovation of blockchain technology,
19 including the growing adoption of virtual currency, has
20 resulted in many technology innovators being unable to access
21 secure and reliable banking services and has hampered
22 development of blockchain services and products in the
23 marketplace;

1

2 (ii) Federally insured financial institutions are
3 not generally permitted to manage accounts or otherwise
4 transact in virtual currency;

5

6 (iii) A special purpose depository institution
7 which provides services only to business customers, does not
8 lend, has a mutual structure and has very high liquid asset
9 requirements is likely as financially sound as a federally
10 insured financial institution;

11

12 (iv) Technology innovators have greater
13 compliance challenges with federal customer identification,
14 anti-money laundering and beneficial ownership requirements
15 because of the complex nature of these obligations and the
16 unfamiliarity of regulators with their businesses;

17

18 (v) Compliance with applicable federal and state
19 laws is critical to ensuring the future growth and reputation
20 of the blockchain and technology industry as a whole;

21

22 (vi) A new Wyoming financial institution that has
23 expertise with customer identification, anti-money laundering

1 and beneficial ownership requirements could seamlessly
2 integrate these requirements into its operating model; and

3
4 (vii) Authorizing special purpose depository
5 institutions to be chartered in Wyoming will provide a
6 necessary and valuable service to the technology industry,
7 emphasize Wyoming's continuing partnership with blockchain
8 innovators and safely grow this state's developing financial
9 sector.

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13 **STAFF COMMENT**

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15 **Legislative findings are not generally favored in a bill,**
16 **but, in this case, may explain the need for a new financial**
17 **institution.**

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22 **Section 2.** W.S. 13-2-406 and 13-12-101 through 13-12-
23 130 are created to read:

24

25 **13-2-406. Applicability to special purpose depository**
26 **institutions.**

27

1 (a) This article shall apply to special purpose
2 depository institutions, as defined in W.S. 13-1-101(a) (xvi).

3
4 (b) As used in this article, "shareholders" or
5 "stockholders" shall include subscribers of a special purpose
6 depository institution.

7
8 CHAPTER 12

9 [XXXXXXXXXXXXXXXXXXXXXX]

10
11 **13-12-101. Short title.**

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13 This chapter may be cited as the "[XXXXXXXXXXXXXXXXXX]"

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15 *****
16 *****
17 **STAFF COMMENT**
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19 **The Task Force should insert a name here.**

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23
24 **13-12-102. Definitions.**

25
26 (a) As used in this chapter:

1 (i) "Currency" means United States currency;

2

3 (ii) "Insolvent" means a circumstance when a
4 special purpose depository institution, consistent with rules
5 adopted by the commissioner:

6

7 (A) Fails to comply with the requirements of
8 W.S. 13-12-105;

9

10 (B) Fails to maintain a contingency account,
11 as required by W.S. 13-12-108(e);

12

13 (C) Fails to pay, in the manner commonly
14 accepted by business practices, its legal obligations to
15 depositors on demand or to discharge any certificates of
16 deposit, promissory notes or other indebtedness when due.

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20 **STAFF COMMENT**

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22 **These requirements are from W.S. 13-4-201(a)(ii) and (iii).**
23 **"Contingency account" was used instead of "reserve" to**
24 **clarify the difference between it and the "liquid assets"**
25 **required under W.S. 13-12-105.**

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2 (iii) "Subscriber" means a non-natural person who:

3

4 (A) Has paid all required subscriptions to a
5 special purpose depository institution; and

6

7 (B) Is both of the following:

8

9 (I) In good standing with the
10 jurisdiction in the United States in which it is incorporated
11 or organized; and

12

13 (II) Engaged in a bona fide business,
14 as provided in W.S. 13-12-107(b).

15

16 (iv) "Unsafe or unsound condition" means a
17 circumstance when a special purpose depository institution is
18 not safely managing its operations or is not effectively
19 managing and monitoring its operational and financial risks,
20 as determined by rules adopted by the commissioner;

21

22 (v) "Virtual currency" means as defined in W.S.
23 40-22-102(a)(xxii).

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13-12-103. Applicability of other provisions.

(a) Except as otherwise provided in subsection (b) of this section, the other provisions of this act shall apply to this chapter.

STAFF COMMENT
"This act" is a defined term in W.S. 13-1-101(a)(xiv) and refers to the entire banking code.

(b) The following provisions of this act shall not apply to this chapter:

- (i) W.S. 13-1-101(a)(vii) [*definition of "director" (of the department of audit)]*;
- (ii) W.S. 13-1-201 [*applicability of banking code*];
- (iii) W.S. 13-2-101 [*powers of banks*];

- 1 (iv) W.S. 13-2-201 through 13-2-214 *[chartering];*
2
- 3 (v) W.S. 13-2-301 through 13-2-314 *[capital*
4 *requirements];*
5
- 6 (vi) W.S. 13-2-709 *[loan production offices];*
7
- 8 (vii) W.S. 13-3-304 *[accounting practices-dividends];*
9
- 10 (viii) W.S. 13-3-401 through 13-3-405 *[restricted*
11 *transactions];*
12
- 13 (ix) W.S. 13-3-701 through 13-3-703 *[reports &*
14 *examinations];*
15
- 16 (x) W.S. 13-4-201 through 13-4-206 *[insolvency];*
17
- 18 (xi) W.S. 13-4-302 *[appointment of FDIC as receiver];*
19 and
20
- 21 (xii) W.S. 13-4-701 *[payment of stockholders in*
22 *liquidation].*
23

1 (c) The provisions of the Wyoming Business Corporation
2 Act, W.S. 17-16-101 through 17-16-1810, shall apply to
3 special purpose depository institutions.

4
5 (d) If any provision of law conflicts with this
6 chapter, this chapter shall control.

7
8 **13-12-104. Special purpose depository institutions**
9 **created; operating authority; prohibition on lending.**

10
11 (a) Special purpose depository institutions may be
12 organized as a corporation to exercise the powers and rights
13 set forth in subsection (b) of this section.

14
15 (b) Each special purpose depository institution may:

16
17 (i) Make contracts as a corporation under Wyoming
18 law;

19
20 (ii) Sue and be sued;

21
22 (iii) Receive notes, buy and sell gold and silver
23 coins and bullion as permitted by federal law;

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(iv) Carry on a banking business for subscribers,
subject to the limitations set forth in W.S. 13-12-106;

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STAFF COMMENT

Paragraphs (i) through (v), (ix) and (x) are largely from
W.S. 13-2-101(a).

"Banking business" is a defined term in W.S. 13-1-101(a)(ii):
"opening credits by the deposit or collection of money or
negotiable paper subject to be paid upon draft, receipt, check
or order;"

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(v) Provide payment and conversion services upon
the request of a subscriber, subject to the limitations set
forth in W.S. 13-12-106. As used in this paragraph,
"conversion services" means the exchange of currency for
virtual currency or vice versa;

(vi) Become a member bank of the federal reserve
system;

(vii) Engage in any activity that is usual or
incidental to the business of banking, subject to the prior

1 written approval of the commissioner. The commissioner shall
2 not approve a request to engage in an incidental activity if
3 he finds that the requested activity will adversely affect
4 the solvency or the safety and soundness of the special
5 purpose depository institution or conflicts with any
6 provision of this chapter; and

7

8 (viii) Exercise the powers and rights otherwise
9 authorized by law for corporations which are not inconsistent
10 with this chapter.

11

12 (c) A special purpose depository institution shall not
13 make loans.

14

15 (d) A special purpose depository institution shall have
16 at least one (1) physical office in this state at which
17 operations are conducted. The special purpose depository
18 institution shall also conduct at least two (2) board meetings
19 each year in this state.

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STAFF COMMENT

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1 **The Task Force may wish to consider requiring the institution**
2 **to have its headquarters in Wyoming.**

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7 (e) As otherwise authorized by this section, the
8 special purpose depository institution may conduct business
9 with subscribers outside this state. Subject to the laws of
10 the host state, a special purpose depository institution may
11 open a branch in another state in the manner set forth in
12 W.S. 13-2-803.

13

14 **13-12-105. Required liquid assets.**

15

16 (a) At all times, a special purpose depository
17 institution shall maintain liquid assets valued at not less
18 than one hundred percent (100%) of its depository
19 liabilities.

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23 **STAFF COMMENT**

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25 **Banks are typically required to only have a fraction of**
26 **depository liabilities on hand at any one time (less than**
27 **10%). This provision requires special purpose depository**
28 **institutions to maintain a very high proportion (100%) of**
29 **liabilities as liquid assets.**

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5 (b) As used in this section, "liquid assets" means:

7 (i) Currency held on the premises of the special
8 purpose depository institution;

10 (ii) Currency held for the special purpose
11 depository institution by a federal reserve bank or a
12 federally insured financial institution;

14 (iii) Investments authorized by W.S. 13-3-202 which
15 are highly liquid, subject to rules adopted by the
16 commissioner.

18 **13-12-106. Virtual currency requirements; money**
19 **transmission.**

21 (a) Subject to subsection (b) of this section, a
22 special purpose depository institution may conduct banking
23 business and payment and conversion services under W.S. 13-
24 12-104(b) (iv) and (v) in virtual currency.

1

2 (b) As a condition of providing any of the services
 3 authorized by subsection (a) of this section, a special
 4 purpose depository institution shall obtain a license under
 5 the Wyoming Money Transmitter Act, W.S. 40-22-101 through 40-
 6 22-129, except that W.S. 40-22-107 and 40-22-111(b) (iv) shall
 7 not apply. An application for a license under the Wyoming
 8 Money Transmitter Act may be submitted as soon as the board
 9 approves or conditionally approves a charter application
 10 under W.S. 13-12-117.

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14 **STAFF COMMENT**

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16 **This section requires a special purpose depository**
 17 **institution to obtain a money transmitter license prior to**
 18 **transacting business in virtual currency. The permissible**
 19 **investments requirement contained in the Wyoming Money**
 20 **Transmitter Act does not apply.**

21

22 **Without an exemption, this requirement would specify that the**
 23 **institution would have to maintain a separate 100% cash**
 24 **reserve for its virtual currency accounts, in addition to**
 25 **maintaining 100% of the virtual currency under the liquid**
 26 **assets requirement of W.S. 13-12-105.**

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31 **13-12-107. Subscribers and organizational structure of**
 32 **special purpose depository institutions; required deposit**

1 **amount; business requirement; amendment of articles of**
2 **incorporation.**

3
4 (a) No person shall maintain an account with a special
5 purpose depository institution or otherwise receive any
6 services from the institution unless the person is a
7 subscriber, as defined in W.S. 13-12-102(a)(iii). A
8 subscriber shall maintain not less than one hundred thousand
9 dollars (\$100,000.00) in deposits, or an equivalent amount of
10 virtual currency, with the special purpose depository
11 institution as a condition of maintaining an account or
12 receiving any other services from the institution.

13
14 (b) Consistent with W.S. 13-12-102(a)(iii) and in
15 addition to any requirements specified by federal law, a
16 special purpose depository shall require that a potential
17 subscriber provide reasonable evidence that the potential
18 subscriber is engaged in bona fide business, or is likely to
19 open a bona fide business within the next six (6) months.
20 Evidence that the potential subscriber will open a bona fide
21 business within the next six (6) months may include business
22 entity filings, articles of incorporation or organization,

1 bylaws, operating agreements, business plans, promotional
2 materials, financing agreements or other evidence.

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6 **STAFF COMMENT**

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8 **This provision is to reduce the money laundering, customer**
9 **identification and beneficial ownership risks faced by the**
10 **institution, by requiring that subscribers be businesses or**
11 **prospective businesses.**

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16 (c) A special purpose depository institution shall be
17 a mutual corporation in which the institution is owned by its
18 subscribers and the subscribers share in all profits and
19 losses. A special purpose depository institution may require
20 subscribers to pay periodic membership subscriptions, as
21 specified in the bylaws or operating agreement of the
22 institution, which are sufficient to conduct the operations
23 of the institution and to maintain a contingency account,
24 pursuant to W.S. 13-12-108(e) and rules adopted by the
25 commissioner. The special purpose depository institution may
26 create multiple classes of subscribers, as authorized by the
27 commissioner, provided that all subscribers shall have voting
28 rights.

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STAFF COMMENT

This provision establishes the institution as a mutual entity. This model was chosen to ensure the solvency of the bank in the absence of its being an FDIC-insured operation. This provision authorizes institutions to require subscribers to pay periodic subscriptions to the institution. This is essentially a service charge and will be used to fund the operations of the institution.

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(d) Subject to the approval of the commissioner under subsection (e) of this section, a special purpose depository institution may amend its articles of incorporation for any lawful purpose by affirmative vote of a majority of its subscribers present or represented by proxy at any regular annual meeting of its subscribers or at any special meeting of subscribers called for the purpose. Written notice of the proposed articles of amendment and notice of the meeting to vote on proposed articles shall be given as provided by the articles of incorporation of the special purpose depository institution.

(e) Upon approval by subscribers of the special purpose depository institution under subsection (d) of this section,

1 the articles of amendment shall be executed, with an executive
 2 officer executing in the place of the corporate secretary,
 3 and shall be delivered to the commissioner together with the
 4 fee required for filing documents with the office of the
 5 secretary of state. If the commissioner finds that the
 6 articles of amendment do not conform to law, he shall return
 7 them to the special purpose depository institution and the
 8 articles shall not become effective. If the commissioner
 9 finds that the articles of amendment conform to law, he shall
 10 endorse on the articles of amendment his certificate of
 11 approval together with the word "filed" and the month, day
 12 and year of filing, and he shall file one (1) copy with his
 13 office and one (1) copy with the office of the secretary of
 14 state. The commissioner shall issue a certificate of
 15 amendment, affix it to a copy of the articles of amendment
 16 and return it to the special purpose depository institution.

17

18 (f) Upon the issuance of the certificate of amendment
 19 by the commissioner, the amendment is effective and the
 20 articles of incorporation shall be amended accordingly.

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24 **STAFF COMMENT**

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Subsections (e) and (f) are largely from W.S. 13-4-102.

**13-12-108. Dividends and assessments; required
reserve; rules.**

(a) Dividends may be paid by the special purpose depository institution when the institution is solvent and has maintained the contingency account required, pursuant to subsection (e) of this section and rules adopted by the commissioner.

(b) Assessments may be made on subscribers of the special purpose depository institution. If a majority of the directors of the special purpose depository institution reasonably believe that the assessments are necessary to prevent insolvency or an unsafe or unsound condition, the directors may, by resolution, levy an assessment on the subscribers of the institution. Written notice of the assessment shall be delivered to each subscriber, consistent with W.S. 17-16-141(c).

1 (c) If the commissioner has reason to believe that a
2 special purpose depository institution may be nearing
3 insolvency or an unsafe or unsound condition, as defined in
4 W.S. 13-12-102(a), he shall examine the special purpose
5 depository institution and ascertain the facts. If he finds
6 that an assessment is necessary, the commissioner may order
7 the institution to levy an assessment as provided in
8 subsection (b) of this section to prevent insolvency or an
9 unsafe or unsound condition.

10

11 (d) If a subscriber fails to pay an assessment levied
12 under subsection (b) or (c) within thirty (30) days of
13 delivery of the required written notice, the special purpose
14 depository institution may deduct the assessment from any
15 accounts or other assets held by the institution on behalf of
16 the subscriber or commence a civil action against the
17 subscriber to recover the assessment.

18

19 (e) A special purpose depository institution shall
20 maintain a contingency account to cover unexpected losses and
21 expenses. The contingency account shall be adequate and
22 reasonable in light of current and prospective conditions, as
23 determined by the commissioner, and shall not be less than

1 two percent (2%) of the depository liabilities of the special
2 purpose depository institution.

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6 **STAFF COMMENT**

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8 **Subsection (e) contains language from W.S. 13-2-212(a)(iv)**
9 **and 13-5-209(d)(ii).**

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11 **This subsection also contains the 2% equity**
12 **cushion/contingency account.**

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17 (f) The commissioner shall adopt rules to implement
18 this section.

19

20 **13-12-109. Federal law; technology standards.**

21

22 (a) A special purpose depository institution shall
23 comply with all applicable federal laws, including those
24 relating to anti-money laundering, customer identification
25 and beneficial ownership.

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29 **STAFF COMMENT**

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1 The institution is required to comply with all applicable
2 federal laws. This provision makes it clear that the
3 institution is not merely an artifice to escape federal anti-
4 money laundering, customer identification and beneficial
5 ownership requirements.

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10 (b) Nothing in this act shall be construed to require
11 compliance with any federal law which does not apply to
12 special purpose depository institutions. Rules adopted under
13 this chapter shall not adopt federal standards governing
14 other financial institutions if the federal standards impose
15 conditions on the operation of special purpose depository
16 institutions which reasonably conflict with the purposes and
17 standards set forth in this chapter.

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21 STAFF COMMENT

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23 This provision exists to ensure this chapter will be
24 implemented and limits the imposition of non-mandatory
25 federal banking best practices or standards used for other
26 financial institutions on special purpose depository
27 institutions via rule.

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32 (c) If a special purpose depository institution is
33 denied authorization to access any services under 12 U.S.C.

1 § 248a, the attorney general shall, on behalf of the state of
2 Wyoming and the institution, commence a civil action to
3 enforce the requirements of 12 U.S.C. § 248a relating to the
4 institution.

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STAFF COMMENT

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10 **12 U.S.C. § 248a requires federal reserve banks to provide**
11 **certain services, including currency and coin supplies, check**
12 **clearing, wire transfer and ACH payments, and depository**
13 **services for reserve funds. This provision of federal law**
14 **requires federal reserve banks to make these services**
15 **available to all depository institutions.**

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19

20 (d) Subject to other applicable law, a special purpose
21 depository institution is authorized to develop and maintain
22 a technology platform, which may include a blockchain, for
23 the operations of the institution which:

24

25 (i) Integrates federal customer identification,
26 anti-money laundering and beneficial ownership requirements
27 into the platform, including periodic reporting requirements,
28 in order to streamline compliance demands for subscribers;

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1 *****
 2 *****
 3 STAFF COMMENT
 4
 5 Streamlining compliance demands is one of the main objects of
 6 this bill.

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 11 (ii) Provides an efficient, transparent and
 12 accessible means for the commissioner and other state and
 13 federal officials to examine and otherwise ensure that the
 14 special purpose depository institution is complying with all
 15 applicable laws;

16
 17 (iii) Utilizes:

18
 19 (A) Legal entity identifier data standards
 20 adopted by the legal entity identifier regulatory oversight
 21 committee;

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 23 *****
 24 *****
 25 STAFF COMMENT

26
 27 The technology platform could use "legal entity identifier
 28 standards" to ensure that all parties/businesses to a
 29 transaction are readily identifiable.

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 31 *****
 32 *****

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2 (B) Standardized input language,
3 transformation functions and output language for specific
4 financial transactions and contracts. If standardized
5 language and functions under this subparagraph are
6 implemented, the standardized language and functions shall:

7

8 (I) Be open source and contain a data
9 dictionary of all relevant data elements;

10

11 (II) If necessary, contain transaction
12 or contract terms relating to the occurrence or non-
13 occurrence of specified events, as well as specified data
14 sources, which the parties to the transaction or contract
15 agree will conclusively determine the occurrence or non-
16 occurrence of specified events; and

17

18 (III) Consist of uniform data
19 structures that are capable of automatically modifying
20 transaction or contract elements based on transaction or
21 contract terms specified under subdivision (II) of this
22 subparagraph.

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 STAFF COMMENT
 Subparagraph (B) above envisions smart contracts. Smart contracts are self-executing contracts reduced to computer code.
 The Task Force may wish to conform subparagraph (B) to the smart contract language used in draft 19LSO-0049.

(e) A special purpose depository institution shall utilize electronic and physical arrangements which ensure the security of all data held by the institution, which may include securely maintaining the credentials required to execute a virtual currency transaction in paper form or on a secured computer not connected to the internet, or utilizing multi-signature requirements, consistent with rules adopted by the commissioner. As used in this subsection, "multi-signature requirement" means the use of private keys to execute a transaction based on the consent of two or more persons.

 STAFF COMMENT

1 "Paper form" or use of a secured/air-gapped computer means
2 "cold storage," which is a best practice currently used by
3 the virtual currency industry.

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8 (f) Notwithstanding any other provision of law, the
9 commissioner may develop and implement an electronic filing
10 system for any reports, applications, submissions, filings or
11 other documents required to be filed under this chapter. The
12 commissioner may, by rule, adopt standards for this system
13 and require electronic filing of all documents.

14

15 (g) As used in this section:

16

17 (i) "Blockchain" means a digital ledger or
18 database which is chronological, consensus-based,
19 decentralized and mathematically verified in nature;

20

21 (ii) "Open source" means data underlying a
22 technology platform:

23

24 (A) Which can be examined and interpreted by
25 any person without the use of proprietary technology or
26 software; and

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(B) For which the creator or developer of the platform has granted an unrestricted license for any person to modify and use the data of the platform for any purpose.

5

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(iii) "Transformation function" means a data structure that transforms data inputs into specified outputs dependent upon specific financial transactions or contracts.

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STAFF COMMENT

The Task Force may wish to consider whether this section is overly prescriptive. However, it may serve an "authorizing" or incentive function for technology companies.

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13-12-110. Required disclosures.

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(a) A special purpose depository institution shall display on any internet website it maintains, and at each window or place where it accepts deposits, a sign conspicuously stating that deposits are not insured by the federal deposit insurance corporation and that cash

1 assessments may be levied on subscribers if warranted by the
2 financial condition of the institution.

3

4 (b) Upon opening an account, a special purpose
5 depository institution shall require each subscriber to
6 execute a statement acknowledging that all deposits at the
7 special purpose depository institution are not insured by the
8 federal deposit insurance corporation and that cash
9 assessments may be levied on subscribers if warranted by the
10 financial condition of the institution. The special purpose
11 depository institution shall permanently retain this
12 acknowledgment.

13

14 (c) A special purpose depository institution shall
15 include in all advertising a disclosure that deposits are not
16 insured by the federal deposit insurance corporation.

17

18 **13-12-111. Formation.**

19

20 (a) Except as otherwise provided by subsection (d) of
21 this section, five (5) or more adult persons may form a
22 special purpose depository institution. The incorporators or
23 organizers shall subscribe the articles of incorporation and

1 transmit them to the commissioner as part of an application
2 for a charter under W.S. 13-12-113.

3
4 (b) The persons forming a special purpose depository
5 institution shall execute articles of incorporation as
6 otherwise provided by law. These articles shall, as nearly
7 possible, include the requirements contained in W.S. 17-16-
8 202 for corporations. The commissioner may establish, by
9 rule, other documents and materials to be filed by a special
10 purpose depository institution.

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14 **STAFF COMMENT**

15
16 **This section and the sections that follow are based heavily**
17 **on the bank formation/chartering provisions of W.S. 13-2-201**
18 **et seq.**

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23 (c) The incorporators or organizers may solicit
24 subscribers and subscriptions prior to filing an application
25 for a charter with the commissioner pursuant to W.S. 13-12-
26 113. In the event an application for a charter is not filed
27 or is denied by the board, all subscriptions shall be returned
28 to subscribers without loss or delay.

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(d) Subject to applicable federal law, a bank holding company may form and hold a special purpose depository institution.

13-12-112. Required subscriptions; capital.

(a) A special purpose depository institution shall possess not less than [XXXXXXXX dollars (\$XXXXXXXX.00)] in subscriptions prior to applying to the commissioner for a charter.

(b) The special purpose depository institution may acquire capital prior to the granting of a charter and may report this capital in its charter application.

STAFF COMMENT
This provision requires a certain amount of pledged subscriptions from subscribers before an institution may apply for a charter, similar to the capital requirement in W.S. 13-2-301(a).

1 **13-12-113. Application for charter; fee.**

2

3 (a) Except as provided in this section, no person shall
4 act as a special purpose depository institution without first
5 obtaining a charter from the commissioner under this chapter.

6

7 (b) The incorporators or organizers required under W.S.
8 13-12-111(a) shall apply to the commissioner for a charter.
9 The application shall contain the special purpose depository
10 institution's articles of incorporation, a detailed business
11 plan and complete proposal for compliance with the provisions
12 of this chapter and evidence of the subscriptions required
13 under W.S. 13-12-112. The commissioner may prescribe the form
14 of an application by rule.

15

16 (c) Each application for charter shall be accompanied
17 by an application fee established by the commissioner
18 pursuant to rule, which shall be no greater than the costs
19 incurred by the commissioner in reviewing the application.
20 The application fee shall be deposited into the financial
21 institutions administration account. Expenditures shall be
22 made from the account by warrants drawn by the state auditor,
23 upon vouchers issued and signed by the director of the

1 department of audit or commissioner. Funds from the account
2 shall be expended to carry out the duties of the commissioner
3 or the board.

4
5 **13-12-114. Procedure upon filing application.**

6
7 (a) Upon receiving an application for a special purpose
8 depository charter, the commissioner shall notify the
9 applicants in writing within thirty (30) calendar days of any
10 deficiency in the required information or that the
11 application has been accepted for filing. When the
12 commissioner is satisfied that all required information has
13 been furnished, he shall notify the chairman of the board who
14 shall establish a time and place for a public hearing which
15 shall be conducted not less than sixty (60) days nor more
16 than one hundred twenty (120) days after notice from the
17 commissioner that the application is in order.

18
19 (b) Within thirty (30) days after receipt of notice of
20 the time and place of the public hearing, the applicants shall
21 cause notice of filing of the application and the hearing to
22 be published at applicant's expense in a newspaper of general
23 circulation within the county where the proposed special

1 purpose depository institution is to be located. Publication
2 shall be made at least once a week for three (3) consecutive
3 weeks before the hearing, stating the proposed location of
4 the special purpose depository institution, the names of the
5 applicants for a charter, the nature of the activities to be
6 conducted by the proposed institution and other information
7 as the commissioner shall prescribe by rule. The applicants
8 shall furnish proof of publication to the commissioner not
9 more than ten (10) days prior to the hearing. The commissioner
10 shall send notice of the hearing to state and national banks,
11 federal savings and loan associations and other financial
12 institutions in the state and federal agencies who have
13 requested notice from the commissioner.

14

15 **13-12-115. Procedure for hearings on charter**
16 **applications.**

17

18 The hearing for a charter application shall be conducted as
19 a contested case under the Wyoming Administrative Procedure
20 Act, W.S. 16-3-101 through 16-3-101, and shall comply with
21 the requirements of that act.

22

1 **13-12-116. Investigation and examination by**
2 **commissioner.**

3
4 (a) Upon receiving the articles of incorporation, the
5 application for a charter and other information required by
6 the commissioner, the commissioner shall make a careful
7 investigation and examination of the following:

8
9 (i) The character, reputation, financial standing
10 and ability of the incorporators or organizers;

11
12 (ii) The character, financial responsibility,
13 banking or other financial experience and business
14 qualifications of those proposed as officers; and

15
16 (iii) The application for a charter, including the
17 adequacy and plausibility of the business plan of the special
18 purpose depository institution and whether the institution
19 has offered a complete proposal for compliance with the
20 provisions of this chapter.

21

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23 *****

24 **STAFF COMMENT**

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These standards are more focused than those contained in W.S. 13-2-211(a) because this institution is not a retail or community-focused financial institution.

(b) The commissioner shall submit the results of his investigation and examination at the public hearing on the charter application and shall be subject to cross-examination by any interested party. No relevant information shall be excluded by the board as hearsay.

13-12-117. Approval or disapproval of application; criteria for approval; action upon application.

(a) Within ninety (90) days after receipt of the transcript of the public hearing, the board shall consider the charter application based solely on the following criteria:

(i) Whether the character, reputation, financial standing and ability of the organizers or incorporators is sufficient to afford reasonable promise of a successful operation;

1

2 (ii) Whether the character, financial
3 responsibility, financial experience and business
4 qualifications of those proposed as officers and directors is
5 sufficient to afford reasonable promise of a successful
6 operation;

7

8 (iii) The adequacy and plausibility of the
9 business plan of the special purpose depository institution;

10

11 (iv) Compliance with the subscription
12 requirements of W.S. 13-12-112;

13

14 (v) The special purpose depository institution is
15 being formed for no other purpose than the legitimate objects
16 contemplated by state law;

17

18 (vi) The name of the proposed special purpose
19 depository institution does not resemble so closely as to
20 cause confusion the name of any other financial institution
21 transacting business in the state; and

22

1 (vii) Whether the applicants have complied with all
2 applicable provisions of state law.

3

4 *****
5 *****

6 **STAFF COMMENT**

7

8 **The Task Force could consider the following language if it**
9 **would like to tie approval to the need for the institution in**
10 **the financial industry:**

11

12 *"(viii) The need for the special purpose depository*
13 *institution in the international, national and state financial*
14 *industry, including the extent to which the institution may serve*
15 *subscribers who may have difficulty accessing banking services or*
16 *may be particularly well-served by the institution because of*
17 *technological knowledge, familiarity with a particular business or*
18 *industry or similar related factors."*

19 **However, adding this provision could create potential anti-**
20 **trust concerns ("the need").**

21

22 *****
23 *****

24

25 (b) The board shall approve an application that fully
26 meets the requirements of subsection (a) of this section. If
27 an application fails to meet the requirements of subsection
28 (a) of this section, the board may conditionally approve or
29 disapprove the application. The board shall state findings of
30 fact and conclusions of law as part of its decision. If the

1 board approves the application, the commissioner shall
 2 endorse upon the articles of incorporation the approval of
 3 the board and shall transmit one (1) copy with the office of
 4 the secretary of state, retain one (1) copy and return a copy
 5 to the applicants within twenty (20) days after the date of
 6 the decision of the board approving the application. If the
 7 board conditionally approves an application to require
 8 compliance with one (1) or more of the factors set forth in
 9 paragraphs (a)(i) through (a)(vii) of this section, and upon
 10 compliance by the applicants, the commissioner shall proceed
 11 as provided in the preceding sentence. If the board
 12 disapproves the application, the commissioner shall mail
 13 notice of the disapproval to the applicants within twenty
 14 (20) days of the board's disapproval.

15

16 *****
 17 *****
 18 **STAFF COMMENT**

19
20 **Subsection (b) is from W.S. 13-2-212(b).**

21 *****
 22 *****
 23 *****

24

25 **13-12-118. Certificate of authority to commence**
 26 **business required; application; approval or denial; failure**
 27 **to commence business.**

1

2 (a) If an application is approved and a charter granted
3 by the board under W.S. 13-12-117, the special purpose
4 depository institution shall not commence business before
5 receiving a certificate of authority to operate from the
6 commissioner. The application for a certificate of authority
7 shall be made to the commissioner and shall certify the
8 address at which the special purpose depository institution
9 will operate and that all of the adopted bylaws or the
10 operating agreement of the institution have been attached as
11 an exhibit to the application for a certificate of authority
12 to operate. The application shall state who the officers and
13 directors are at that time. The commissioner shall approve or
14 deny an application for a certificate of authority to operate
15 within thirty (30) days after a complete application has been
16 filed. The authority of the commissioner to disapprove any
17 application shall be restricted solely to noncompliance with
18 this section. If the commissioner approves the application,
19 he shall issue a certificate of authority to the applicants
20 within twenty (20) days. If the commissioner denies the
21 application, he shall mail a notice of denial to the
22 applicants within twenty (20) days, stating the reasons for
23 denying the application, and grant to the applicants a maximum

1 period of ninety (90) days to resubmit the application with
2 the necessary corrections. If the applicants fail to comply
3 with requirements of the notice of denial within ninety (90)
4 days from the receipt of the notice, the approval of the
5 charter of the special purpose depository institution shall
6 be revoked by the commissioner. The failure of the
7 commissioner to act upon an application for a certificate of
8 authority within thirty (30) days shall be deemed an approval.

9

10 (b) If an approved special purpose depository
11 institution fails to commence business in good faith within
12 six (6) months after the issuance of a certificate of
13 authority to operate by the commissioner, the charter and
14 certificate of authority shall expire. The board, for good
15 cause and upon an application filed prior to the expiration
16 of the six (6) month period, may extend the time within which
17 the special purpose depository institution may open for
18 business.

19

20 **13-12-119. Decisions by board appealable; grounds.**

21

22 Any decision of the board or commissioner in approving,
23 conditionally approving or disapproving a charter for a

1 special purpose depository institution or the issuance or
2 denial of a certificate of authority to operate is appealable
3 to the district court of the county in which the institution
4 is to be located in accordance with the provisions of the
5 Wyoming Administrative Procedure Act, W.S. 16-3-101 through
6 16-3-101. In addition to the grounds for appeal contained in
7 the Wyoming Administrative Procedure Act, an appellant may
8 appeal if the board or the commissioner fails to make any of
9 the required findings or otherwise take an action required by
10 law.

11

12 **13-12-120. Surety bond; pledged investments; investment**
13 **income; bond or pledge increases; hearings.**

14

15 (a) Except as otherwise provided by subsection (b) of
16 this section, a special purpose depository institution shall,
17 before transacting any business, pledge or furnish a surety
18 bond to the commissioner to cover costs likely to be incurred
19 by the commissioner in a liquidation or receivership of the
20 special purpose depository institution. The amount of the
21 surety bond or pledge of assets under subsection (b) of this
22 section shall be determined by the commissioner in an amount
23 sufficient to defray the costs of a liquidation or

1 receivership, but shall not be more than **[XXXXXX dollars**
2 **(\$XXXXXX)]**.

3

4 (b) In lieu of a bond, a special purpose depository
5 institution may irrevocably pledge specified capital
6 equivalent to a bond under subsection (a). Any capital pledged
7 to the commissioner under this subsection shall be held in a
8 state or nationally chartered bank or savings and loan
9 association having a principal or branch office in this state
10 and all costs associated with pledging and holding such
11 capital are the responsibility of the special purpose
12 depository institution.

13

14 (c) Investments pledged to the commissioner shall be of
15 the same nature and quality as those required for state
16 financial institutions in W.S. 9-4-805.

17

18 (d) Surety bonds shall run to the state of Wyoming, and
19 shall be approved under the terms and conditions required by
20 W.S. 9-4-804(b) and (c).

21

22 (e) The commissioner may adopt rules to establish
23 additional investment guidelines or investment options for

1 purposes of the pledge or surety bond required by this
2 section.

3

4 (f) In the event of a liquidation or receivership of a
5 special purpose depository institution as provided in W.S.
6 13-12-124, the commissioner may, without regard to
7 priorities, preferences or adverse claims and with court
8 approval, reduce the surety bond or capital pledged under
9 this section to cash as soon as practicable and utilize the
10 cash to defray the costs associated with the liquidation or
11 receivership.

12

13 (g) Income from capital pledged under subsection (b) of
14 this section shall be paid to the special purpose depository
15 institution unless a court places the institution in
16 liquidation or receivership.

17

18 (h) Upon evidence that the current surety bond or
19 pledged capital is insufficient, the commissioner may require
20 any special purpose depository institution to increase its
21 surety bond or pledged capital by providing not less than
22 thirty (30) days written notice to the institution. The
23 special purpose depository institution may request a hearing

1 before the board not more than thirty (30) days after
2 receiving written notice from the commissioner under this
3 subsection. Any hearing before the board shall be held
4 pursuant to the Wyoming Administrative Procedure Act, W.S.
5 16-3-101 through 16-3-101.

6
7

8 *****
9 *****
10 STAFF COMMENT

11
12 **The Banking Commissioner has indicated that a surety**
13 **bond/pledged investments may not be appropriate for special**
14 **purpose depository institutions.**

15
16 **The Task Force should consider whether these requirements**
17 **are necessary.**

18
19 *****
20 *****

21
22 **13-12-121. Reports and examinations; supervisory fees;**
23 **resolution fund.**

24
25 (a) The commissioner may call for special reports
26 verified under oath from a special purpose depository
27 institution at any time, as necessary to inform the
28 commissioner of the condition of the institution.

29

1 (b) All reports required of special purpose depository
2 institutions by the commissioner and all materials relating
3 to examinations of these institutions shall be subject to the
4 provisions of W.S. 9-1-512.

5
6 (c) Every special purpose depository institution is
7 subject to the inspection of the commissioner. The
8 commissioner or a duly appointed examiner shall visit and
9 examine special purpose depository institutions on a schedule
10 established by rule. The commissioner or a duly appointed
11 examiner shall make a complete and careful examination of the
12 condition and resources of the special purpose depository
13 institution, the mode of managing institution affairs and
14 conducting business, the actions of officers and directors in
15 the investment and disposition of institution funds, the
16 safety and prudence of institution management, whether the
17 requirements of this chapter are being complied with and such
18 other matters as the commissioner may prescribe. The special
19 purpose depository institution shall pay an examination fee
20 established by the commissioner pursuant to rule.

21

22 (d) On or before January 31 and July 31 of each year,
23 a special purpose depository institution shall compute and

1 pay supervisory fees to the commissioner based on the total
 2 asset base of the special purpose depository institution as
 3 of the preceding December 31 and June 30 respectively.
 4 Supervisory fees under this section shall provide for the
 5 operating costs of the office of the commissioner and the
 6 administration of the laws governing special purpose
 7 depository institutions. Such fees shall be established by
 8 rule of the commissioner and shall be adjusted by the
 9 commissioner to assure consistency with the cost of
 10 supervision. Supervisory fees shall be deposited by the
 11 commissioner with the state treasurer and credited to a
 12 subaccount within the financial institutions administration
 13 account created for special purpose depository institutions.
 14 Expenditures shall be made from the subaccount by warrants
 15 drawn by the state auditor, upon vouchers issued and signed
 16 by the director or commissioner. Funds from the subaccount
 17 shall be expended only to carry out the duties of the
 18 commissioner or the board under this chapter.

19

20 *****
 21 *****

STAFF COMMENT

22
 23
 24 **The Task Force may wish to consider amending "asset base" to**
 25 **read "depository liabilities" because an institution with**
 26 **large assets and few depository liabilities might need less**

1 oversight than an institution with assets which are minimally
2 sufficient to cover large liabilities.

3
4
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6

7 (e) The special purpose depository institution
8 resolution fund account is created. A portion of each
9 supervisory fee paid pursuant to subsection (d) of this
10 section shall be paid to the resolution fund account and shall
11 be used by the commissioner in the event of a liquidation or
12 receivership of a special purpose depository institution. The
13 amount paid to the resolution fund account shall be
14 established by rule of the commissioner. All amounts paid
15 shall be remitted to the state treasurer and deposited and
16 credited to the special purpose depository institution
17 resolution fund account. Expenditures from the account shall
18 be made using warrants drawn by the state auditor, upon
19 vouchers issued and signed by the director of the department
20 of audit or commissioner. Funds in the account are
21 continuously appropriated and shall not lapse at the end of
22 any fiscal period.

23

24 *****
25 *****

STAFF COMMENT

26
27

1 **The Task Force should consider whether the resolution fund**
2 **established by this section is necessary or appropriate in**
3 **light of the structure of the institution.**

4
5 *****
6 *****
7

8 **13-12-122. Suspension or revocation of charter.**

9

10 (a) The commissioner may suspend or revoke the charter
11 of a special purpose depository institution if, after notice
12 and opportunity for a hearing, the commissioner determines
13 that:

14

15 (i) The special purpose depository institution has
16 failed or refused to comply with an order issued pursuant to
17 W.S. 13-10-201 through 13-10-209;

18

19 (ii) The application for a charter contained a
20 false statement or material misrepresentation or omission; or

21

22 (iii) An officer or agent of the special purpose
23 depository institution, in connection with an application for
24 a charter knowingly made a false statement or material
25 misrepresentation or omission to the board, the commissioner
26 or the duly authorized agent of the board or commissioner.

1

2 **13-12-123. Continuing jurisdiction.**

3

4 If the charter of a special purpose depository institution is
5 surrendered, suspended or revoked, the institution shall
6 continue to be subject to the provisions of this chapter
7 during any liquidation or receivership.

8

9 **13-12-124. Insolvency; unsound or unsafe condition;**
10 **receivership.**

11

12 (a) If the commissioner finds that a special purpose
13 depository institution is insolvent or operating in an unsafe
14 or unsound condition that has not been remedied within the
15 time prescribed under an order of the commissioner issued
16 pursuant to W.S. 13-10-201 through 13-10-209, the
17 commissioner shall apply to the district court, in the county
18 in which the principal office of the company is located, to
19 be appointed receiver for the liquidation or receivership of
20 the special purpose depository institution. The expense of
21 the liquidation or receivership shall be paid out of the
22 assets of the special purpose depository institution and the
23 bond or pledged investments required under W.S. 13-12-120.

1

2 (b) Title to the assets of the special purpose
3 depository institution shall vest in the commissioner upon
4 appointment of the commissioner as receiver by the court
5 pursuant to subsection (a) of this section, without the
6 execution of any instrument of conveyance, assignment,
7 transfer or endorsement.

8

9 (c) Subject to the approval of the appointing court, as
10 receiver, the commissioner may:

11

12 (i) Take possession of all books, records of
13 account and assets of the special purpose depository
14 institution;

15

16 (ii) Collect debts, claims and judgments belonging
17 to the special purpose depository institution and take any
18 other action necessary to preserve and liquidate the assets
19 of the institution;

20

21 (iii) Appoint a special assistant to take charge
22 of the affairs of the special purpose depository institution.
23 The special assistant shall qualify, give bond and receive

1 compensation in the same manner as the commissioner acting as
2 a receiver, but compensation for the special assistant shall
3 be paid by the institution;

4

5 (iv) Execute, in the name of the special purpose
6 depository institution, any instrument necessary or proper to
7 effectuate the powers of a receiver or perform the duties of
8 a receiver;

9

10 (v) Initiate, pursue, compromise and defend
11 litigation involving any right, claim, interest or liability
12 of the special purpose depository institution;

13

14 (vi) Exercise all powers of the special purpose
15 depository institution as of the date of appointment as
16 receiver;

17

18 (vii) Borrow money as necessary in the liquidation
19 or receivership of the special purpose depository institution
20 and secure this borrowing by the pledge or mortgage of assets
21 of the institution;

22

1 (viii) Sell assets to compromise any debt, claim,
2 obligation or judgment due to the special purpose depository
3 institution, discontinue any pending action or other
4 proceeding and sell or otherwise transfer any portion of the
5 asset or liabilities of the institution;

6

7 (ix) Establish ancillary receiverships in any
8 jurisdiction determined necessary;

9

10 (x) Distribute assets, in accordance with court
11 approval, after notice to all claimants. Subject to the
12 approval of the court, the receiver may make periodic and
13 interim liquidating distributions; and

14

15 (xi) Take any other incidental action reasonably
16 related to the powers set forth in this subsection.

17

18 **13-12-125. Order declaring special purpose depository**
19 **institution properly wound up and dissolved.**

20

21 (a) Upon the completion of the liquidation of a special
22 purpose depository institution pursuant to W.S. 13-12-124,
23 the commissioner shall petition the court for an order

1 declaring the special purpose depository institution properly
2 wound up and dissolved.

3

4 (b) After notice and hearing as ordered by the court,
5 the court shall enter an order declaring the special purpose
6 depository institution wound up and dissolved. The order
7 shall, to the extent applicable, declare that:

8

9 (i) The institution has been properly wound up;

10

11 (ii) All known assets of the institution have been
12 distributed pursuant to W.S. 13-12-124;

13

14 (iii) The special purpose depository institution
15 is dissolved; and

16

17 (iv) If there are known debts or liabilities,
18 describe the provision made for their payment, setting forth
19 all information necessary to enable a creditor or other person
20 to whom payment is to be made to appear and claim payment of
21 the debt or liability.

22

1 (c) An order issued pursuant to subsection (b) of this
2 section shall review, modify as necessary and adopt a plan
3 proposed by the commissioner for the disposition or
4 maintenance of any remaining real or personal property or
5 other special purpose depository institution assets. The plan
6 shall include written notice to all known owners or
7 beneficiaries of the assets.

8

9 (d) The court may enter additional orders and grant
10 further relief as it determines appropriate upon the evidence
11 submitted.

12

13 (e) Upon the issuance of the order declaring the special
14 purpose depository institution dissolved, the existence of
15 the special purpose depository institution as a corporation
16 shall cease, except for purposes of any necessary additional
17 winding up. The commissioner shall promptly file a copy of
18 the order, certified by the clerk of the court, with the
19 office of the secretary of state.

20

21 **13-12-126. Change of place of business, dissolution,**
22 **conversion, merger or sale of special purpose depository**
23 **institutions.**

1

2 (a) A proposal to change the place of business,
3 dissolve, convert, merge or sell a special purpose depository
4 institution may be proposed by the officers, directors or
5 subscribers of the institution. The proposal shall be
6 considered and approved or rejected by the subscribers of the
7 special purpose depository institution in the same manner as
8 an amendment to the articles of incorporation of the
9 institution under W.S. 13-12-107.

10

11 (b) A proposal approved under subsection (a) of this
12 section to change the place of business, convert or merge a
13 special purpose depository institution shall be conducted as
14 nearly as practicable under W.S. 13-4-101 through 13-4-114,
15 subject to exceptions specified by the commissioner which are
16 necessary to comply with this chapter. The applicable
17 provisions of the Wyoming Business Corporations Act, W.S. 17-
18 16-101 through 17-16-1810, shall not apply to a change of a
19 place of business or merger conducted under this subsection.

20

21 **13-12-127. Voluntary dissolution of special purpose**
22 **depository institution; liquidation; reorganization;**

1 **application for dissolution; filing fee; filing with the**
2 **office of the secretary of state; revocation of charter.**

3

4 (a) A special purpose depository institution may
5 voluntarily dissolve in accordance with the provisions of
6 this section. If a proposal to dissolve a special purpose
7 depository institution is approved under W.S. 13-12-126(a),
8 voluntary dissolution shall be accomplished by either
9 liquidating the special purpose depository institution or
10 reorganizing the institution into a domestic or foreign
11 corporation, limited liability company, limited partnership
12 or limited liability partnership that does not engage in any
13 activity authorized only for a special purpose depository
14 institution. Upon complete liquidation or completion of the
15 reorganization, the commissioner shall revoke the charter of
16 the special purpose depository institution and afterward, the
17 company shall not use the word "special purpose depository
18 institution" in its business name or in connection with its
19 ongoing business.

20

21 (b) The special purpose depository institution may
22 dissolve its charter either by liquidation or reorganization
23 and shall file an application for dissolution with the

1 commissioner, accompanied by a filing fee established by rule
2 of the commissioner. The application shall include a
3 comprehensive plan for dissolution setting forth the proposed
4 disposition of all assets and liabilities, in reasonable
5 detail to effect a liquidation or reorganization, and any
6 other plans required by the commissioner. The plan of
7 dissolution shall provide for the discharge or assumption of
8 all of the known and unknown claims and liabilities of the
9 special purpose depository institution. Additionally, the
10 application for dissolution shall include other evidence,
11 certifications, affidavits, documents or information as the
12 commissioner may require demonstrating how assets and
13 liabilities will be disposed, the timetable for effecting
14 disposition of the assets and liabilities and the proposal of
15 the special purpose depository institution for addressing any
16 claims that are asserted after dissolution has been
17 completed. The commissioner shall examine the application for
18 compliance with this section, the business entity laws
19 applicable to the required type of dissolution and applicable
20 rules. The commissioner may conduct a special examination of
21 the special purpose depository institution, at the cost of
22 the institution, for purposes of evaluating the application.

23

1 (c) If the commissioner finds that the application is
2 incomplete, the commissioner shall return it for completion
3 not later than sixty (60) days after it is filed. If the
4 application is found to be complete by the commissioner, not
5 later than thirty (30) days after it is filed, the
6 commissioner shall approve or disapprove the application. If
7 the commissioner approves the application, the special
8 purpose depository institution may proceed with the
9 dissolution pursuant to the plan outlined in the application,
10 subject to any further conditions the commissioner may
11 prescribe. If the special purpose depository institution
12 subsequently determines that the plan of dissolution needs to
13 be amended to complete the dissolution, it shall file an
14 amended plan with the commissioner and obtain approval to
15 proceed under the amended plan. If the commissioner does not
16 approve the application or amended plan, the special purpose
17 depository institution may appeal the decision to the board
18 pursuant to the Wyoming Administrative Procedure Act, W.S.
19 16-3-101 through 16-3-115.

20

21 (d) Upon completion of all actions required under the
22 plan of dissolution and satisfaction of all conditions
23 prescribed by the commissioner, the special purpose

1 depository institution shall submit a written report of its
2 actions to the commissioner. The report shall contain a
3 certification made under oath that the report is true and
4 correct. Following receipt of the report, the commissioner,
5 no later than sixty (60) days after the filing of the report,
6 shall examine the special purpose depository institution to
7 determine whether the commissioner is satisfied that all
8 required actions have been taken in accordance with the plan
9 of dissolution and any conditions prescribed by the
10 commissioner. If all requirements and conditions have been
11 met, the commissioner shall, within thirty (30) days of the
12 examination, notify the special purpose depository
13 institution in writing that the dissolution has been
14 completed and issue a certificate of dissolution.

15

16 (e) Upon receiving a certificate of dissolution, the
17 special purpose depository institution shall surrender its
18 charter to the commissioner. The special purpose depository
19 institution shall then file articles of dissolution and other
20 documents required by W.S. 17-16-1401 through 17-16-1440 for
21 a corporation with the office of the secretary of state. In
22 the case of reorganization, the special purpose depository

1 institution shall file the documents required by the
2 secretary of state to finalize the reorganization.

3

4 (f) If the commissioner determines that all required
5 actions under the plan for dissolution, or as otherwise
6 required by the commissioner, have not been completed, the
7 commissioner shall notify the special purpose depository
8 institution not later than thirty (30) days after this
9 determination in writing what additional actions shall be
10 taken in order for the institution to be eligible for a
11 certificate of dissolution. The commissioner shall establish
12 a reasonable deadline for the submission of evidence that
13 additional actions have been taken. The commissioner may
14 extend the deadline for good cause shown. If the special
15 purpose depository institution fails to file a supplemental
16 report showing that the additional actions have been taken
17 before the deadline, or submits a report that is found not to
18 be satisfactory by the commissioner, the commissioner shall
19 notify the special purpose depository institution in writing
20 that its voluntary dissolution is not approved, and the
21 institution may appeal the decision to the board pursuant to
22 the Wyoming Administrative Procedure Act, W.S. 16-3-101
23 through 16-3-101.

1

2 **13-12-128. Failure to submit required report; fees;**
3 **rules.**

4

5 If a special purpose depository institution fails to submit
6 any report required by this chapter or by rule within the
7 prescribed period, the commissioner may impose and collect a
8 fee for each day the report is overdue, as established by
9 rule.

10

11 **13-12-129. Willful neglect to perform duties imposed by**
12 **law or failure to conform to material lawful requirement made**
13 **by commissioner; removal.**

14

15 (a) Each officer, director, employee or agent of a
16 special purpose depository institution, following written
17 notice from the commissioner, is subject to removal upon order
18 of the commissioner if he knowingly or willfully fails:

19

20 (i) To perform any duty required by this act or
21 other applicable law;

22

1 (ii) To conform to any rule or order of the
2 commissioner.

3

4 **13-12-130. Rules.**

5

6 The commissioner shall adopt all rules necessary to implement
7 this chapter.

8

9 **Section 3.** W.S. 13-1-101(a)(i) and by creating a new
10 paragraph (xvi), 13-1-201, 13-1-203, 13-1-204, 13-1-605(b) by
11 creating a new paragraph (vii), 13-2-103, 13-4-504 by
12 creating a subsection (e), 13-10-201(a)(iv), 40-22-107 by
13 creating a new subsection (c) and 40-22-111(b)(iv) are
14 amended to read:

15

16 **13-1-101. Definitions.**

17

18 (a) As used in this act, unless another definition is
19 specifically provided for a section, article or chapter of
20 this act:

21

22 (i) "Bank" means any corporation, excluding
23 national banks, having a place of business within this state

1 which engages in banking business or a special purpose
2 depository institution, subject to the limitations set forth
3 in W.S. 13-12-101 through 13-12-130;

4
5 (xvi) "Special purpose depository institution"
6 means a corporation chartered under W.S. 13-12-101 through
7 13-12-130.

8
9 **13-1-201. Generally.**

10
11 (a) Subject to W.S. 13-12-103, this act applies to all
12 banks in this state organized under this act and to national
13 banks where specifically provided by the text.

14
15 **13-1-203. Compliance required.**

16
17 No person or entity shall carry on a banking business except
18 in compliance with this act ~~or~~ W.S. 13-12-101 through 13-12-
19 130.

20
21 **13-1-204. Use of terms or names.**

22

1 (a) No person or entity shall advertise, issue or
2 circulate any paper or exhibit any sign using any of the terms
3 "bank", "banker", "banking", "special purpose depository
4 institution", or words of similar import, or use the name of
5 any other financial institution as defined by W.S. 13-1-
6 101(a)(ix) until they have fully complied with this act ~~or~~
7 W.S. 13-12-101 through 13-12-130.

8
9 (b) Consistent with subsection (a) of this section, a
10 special purpose depository institution may refer to itself as
11 a bank.

12
13 **13-1-605. State banking board; meetings; compensation;**
14 **purpose.**

15
16 (b) The banking board shall:

17
18 (vii) Perform the duties prescribed in W.S. 13-
19 12-101 through 13-12-130.

20
21 **13-2-103. Federal deposit insurance.**

22

1 (a) All banks, except special purpose depository
2 institutions, shall obtain insurance of their deposits by the
3 United States and shall subscribe for insurance of deposit
4 accounts by the federal deposit insurance corporation (FDIC).

5
6 (b) Nothing in this section shall be construed as
7 prohibiting a special purpose depository institution from
8 obtaining FDIC insurance, if available.

9
10 **13-4-504. Reorganization.**

11
12 (e) Subdivision (a)(ii)(B) of this section shall not
13 apply to a special purpose depository institution.

14
15 *****

16 *****

17 **STAFF COMMENT**

18
19 **This provision eliminates potential ambiguity in a**
20 **reorganization since the depositors and stockholders of a**
21 **special purpose depository institution are the same.**

22
23 *****

24 *****

25
26 **13-10-201. Definitions.**

27
28 (a) As used in this article:

1

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(iv) "Wyoming financial institution" means any bank, savings and loan association, special purpose depository institution or trust company chartered or organized under the laws of Wyoming.

40-22-107. Permissible investments and statutory trust.

(c) This section shall not apply to licensure of a special purpose depository institution under this chapter.

40-22-111. Renewal of license and annual report.

(b) The renewal fee shall be accompanied by a report, in a form approved by the commissioner, which shall include:

(iv) A list of the licensee's permissible investments, except as otherwise provided by W.S. 40-22-107(c);

Section 4. The department of audit is authorized one (1) additional full-time position for the period beginning with the effective date of this act and ending June 30, 2020,

1 for the purposes of implementing this act. The department of
2 audit shall include this position, and any necessary funding,
3 in its 2021-2022 standard budget request.

4

5 **Section 5.** For the period beginning with the effective
6 date of this act and ending June 30, 2020, there is
7 appropriated [XXXXXX dollars (\$XXXXXX.00)] from the general
8 fund to the department of audit. This appropriation shall
9 only be expended to implement this act. Notwithstanding any
10 other provision of law, this appropriation shall not be
11 transferred or expended for any other purpose and any
12 unexpended, unobligated funds remaining from this
13 appropriation shall revert as provided by law on June 30,
14 2020.

15

16 *****
17 *****

18 **STAFF COMMENT**

19

20 **The Task Force should specify an appropriation above.**

21

22 *****
23 *****

24

25 **Section 6.** Consistent with this act, the banking
26 commissioner shall adopt rules governing special purpose

1 depository institutions on or before July 1, 2019, provided
2 these rules shall not take effect until July 1, 2019.

3

4 **Section 7.**

5

6 (a) Except as otherwise provided by subsection (b) of
7 this section, this act is effective July 1, 2019.

8

9 (b) Sections 4 through 6 of this act are effective
10 immediately upon completion of all acts necessary for a bill
11 to become law as provided by Article 4, Section 8 of the
12 Wyoming Constitution.

13

14 *****
15 *****

16 **STAFF COMMENT**

17

18 **July 1, 2019 is the default effective date for legislation**
19 **in Wyoming. The Task Force should consider whether July 1,**
20 **2019 gives the Banking Commissioner adequate time to adopt**
21 **rules governing special purpose depository institutions.**

22

23 *****
24 *****

25

26 (END)