

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 599

100TH GENERAL ASSEMBLY

2020

3390H.04T

AN ACT

To repeal sections 30.260, 30.753, 30.758, 70.705, 100.255, 362.1015, 362.1030, 362.1037, 362.1040, 362.1070, 370.010, 370.020, 370.030, 370.071, 370.110, 370.120, 370.130, 370.151, 370.170, 370.190, 370.200, 370.220, 370.230, 370.235, 370.260, 370.270, 370.275, 370.310, 370.340, 370.350, 370.355, 370.356, 370.358, 370.359, 376.945, 385.015, 408.512, 409.605, 409.610, 409.615, 409.620, 409.625, 409.630, 409.3-302, 409.4-412, 409.6-604, 443.717, 443.825, 443.855, and 443.857, RSMo, and to enact in lieu thereof fifty-one new sections relating to financial instruments.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 30.260, 30.753, 30.758, 70.705, 100.255, 362.1015, 362.1030, 362.1037, 362.1040, 362.1070, 370.010, 370.020, 370.030, 370.071, 370.110, 370.120, 370.130, 370.151, 370.170, 370.190, 370.200, 370.220, 370.230, 370.235, 370.260, 370.270, 370.275, 370.310, 370.340, 370.350, 370.355, 370.356, 370.358, 370.359, 376.945, 385.015, 408.512, 409.605, 409.610, 409.615, 409.620, 409.625, 409.630, 409.3-302, 409.4-412, 409.6-604, 443.717, 443.825, 443.855, and 443.857, RSMo, are repealed and fifty-one new sections enacted in lieu thereof, to be known as sections 30.260, 30.753, 30.758, 70.705, 100.255, 362.1015, 362.1030, 362.1037, 362.1040, 362.1070, 370.010, 370.020, 370.030, 370.071, 370.110, 370.120, 370.130, 370.151, 370.170, 370.190, 370.200, 370.220, 370.230, 370.235, 370.260, 370.275, 370.288, 370.310, 370.340, 370.350, 370.355, 370.356, 370.358, 370.359, 376.945, 385.015, 408.512, 409.605, 409.610, 409.615, 409.620, 409.625, 409.630, 409.3-302, 409.4-412, 409.6-604, 443.717, 443.825, 443.855,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

14 443.857, and 476.419, to read as follows:

30.260. 1. The state treasurer shall prepare, maintain and adhere to a
2 written investment policy which shall include an asset allocation plan which
3 limits the total amount of state moneys which may be invested in any particular
4 investment authorized by Section 15, Article IV of the Missouri
5 Constitution. Such asset allocation plan shall also set diversification limits, as
6 applicable, which shall include a restriction limiting the total amount of time
7 deposits of state moneys, not including linked deposits, placed with any one single
8 banking institution to be no greater than [ten] **fifteen** percent of all time
9 deposits of state moneys **authorized under the asset allocation plan**. The
10 state treasurer shall present a copy of such policy to the governor, commissioner
11 of administration, state auditor and general assembly at the commencement of
12 each regular session of the general assembly or at any time the written
13 investment policy is amended.

14 2. The state treasurer shall determine by the exercise of the treasurer's
15 best judgment the amount of state moneys that are not needed for current
16 operating expenses of the state government and shall keep on demand deposit in
17 banking institutions in this state selected by the treasurer and approved by the
18 governor and state auditor the amount of state moneys which the treasurer has
19 so determined are needed for current operating expenses of the state government
20 and disburse the same as authorized by law.

21 3. Within the parameters of the state treasurer's written investment
22 policy, the state treasurer shall place the state moneys which the treasurer has
23 determined are not needed for current operations of the state government on time
24 deposit drawing interest in banking institutions in this state selected by the
25 treasurer and approved by the governor and the state auditor, or place them
26 outright or, if applicable, by repurchase agreement in obligations described in
27 Section 15, Article IV, Constitution of Missouri, as the treasurer in the exercise
28 of the treasurer's best judgment determines to be in the best overall interest of
29 the people of the state of Missouri, giving due consideration to:

30 (1) The preservation of such state moneys;

31 (2) The benefits to the economy and welfare of the people of Missouri
32 when such state money is invested in banking institutions in this state that, in
33 turn, provide additional loans and investments in the Missouri economy and
34 generate state taxes from such initial investments and the loans and investments
35 created by the banking institutions, compared to the removal or withholding from

36 banking institutions in the state of all or some such state moneys and investing
37 same in obligations authorized in Section 15, Article IV of the Missouri
38 Constitution;

39 (3) The liquidity needs of the state;

40 (4) The aggregate return in earnings and taxes on the deposits and the
41 investment to be derived therefrom; and

42 (5) All other factors which to the treasurer as a prudent state treasurer
43 seem to be relevant to the general public welfare in the light of the circumstances
44 at the time prevailing. The state treasurer may also place state moneys which
45 are determined not needed for current operations of the state government in
46 linked deposits as provided in sections 30.750 to 30.765.

47 4. Except for state moneys deposited in linked deposits as provided in
48 sections 30.750 to 30.860, the rate of interest payable by all banking institutions
49 on time deposits of state moneys shall be set under subdivisions (1) to (5) of this
50 subsection and subsections 6 and 7 of this section. The rate shall never exceed
51 the maximum rate of interest which by federal law or regulation a bank which is
52 a member of the Federal Reserve System may from time to time pay on a time
53 deposit of the same size and maturity. The rate of interest payable by all
54 banking institutions on time deposits of state moneys is as follows:

55 (1) Beginning January 1, 2010, the rate of interest payable by a banking
56 institution on up to seven million dollars of time deposits of state moneys shall
57 be the same as the average rate paid during the week next preceding the week
58 in which the deposit was made for United States of America treasury securities
59 maturing and becoming payable closest to the time of termination of the deposit,
60 as determined by the state treasurer, adjusted to the nearest one-tenth of a
61 percent. In the case of a banking institution that holds more than seven million
62 dollars of time deposits of state moneys, the rate of interest payable on deposits
63 in excess of seven million dollars of time deposits of state moneys shall be set at
64 the market rate as determined in subsection 6 of this section;

65 (2) Beginning January 1, 2011, the rate of interest payable by a banking
66 institution on up to five million dollars of time deposits of state moneys shall be
67 the same as the average rate paid during the week next preceding the week in
68 which the deposit was made for United States of America treasury securities
69 maturing and becoming payable closest to the time of termination of the deposit,
70 as determined by the state treasurer, adjusted to the nearest one-tenth of a
71 percent. In the case of a banking institution that holds more than five million

72 dollars of time deposits of state moneys, the rate of interest payable on deposits
73 in excess of five million dollars of time deposits of state moneys shall be set at the
74 market rate as determined in subsection 6 of this section;

75 (3) Beginning January 1, 2012, the rate of interest payable by a banking
76 institution on up to three million dollars of time deposits of state moneys shall
77 be the same as the average rate paid during the week next preceding the week
78 in which the deposit was made for United States of America treasury securities
79 maturing and becoming payable closest to the time of termination of the deposit,
80 as determined by the state treasurer, adjusted to the nearest one-tenth of a
81 percent. In the case of a banking institution that holds more than three million
82 dollars of time deposits of state moneys, the rate of interest payable on deposits
83 in excess of three million dollars of time deposits of state moneys shall be set at
84 the market rate as determined in subsection 6 of this section;

85 (4) Beginning January 1, 2013, the rate of interest payable by a banking
86 institution on up to one million dollars of time deposits of state moneys shall be
87 the same as the average rate paid during the week next preceding the week in
88 which the deposit was made for United States of America treasury securities
89 maturing and becoming payable closest to the time of termination of the deposit,
90 as determined by the state treasurer, adjusted to the nearest one-tenth of a
91 percent. In the case of a banking institution that holds more than one million
92 dollars of time deposits of state moneys, the rate of interest payable on deposits
93 in excess of one million dollars of time deposits of state moneys shall be set at the
94 market rate as determined in subsection 6 of this section;

95 (5) Beginning January 1, 2014, the rate of interest payable by a banking
96 institution on all time deposits of state moneys shall be set at the market rate as
97 determined in subsection 6 of this section.

98 5. Notwithstanding subdivisions (1) to (5) of subsection 4 of this section,
99 for any new time deposits of state moneys placed after January 1, 2010, with a
100 term longer than eighteen months, the rate of interest payable by a banking
101 institution shall be set at the market rate as determined in subsection 6 of this
102 section.

103 6. Market rate shall be determined no less frequently than once a month
104 by the director of investments in the office of state treasurer. The process for
105 determining a market rate shall include due consideration of prevailing rates
106 offered for certificates of deposit by well-capitalized Missouri financial
107 institutions, the advance rate established by the Federal Home Loan Bank of Des

108 Moines for member institutions and the costs of collateralization, as well as an
109 evaluation of the credit risk associated with other authorized securities under
110 Section 15, Article IV, of the Missouri Constitution, **or any other calculation**
111 **determined by the state treasurer based on current market investment**
112 **indicators.** Banking institutions may also offer a higher rate than the market
113 rate for any time deposit placed with the state treasurer in excess of the total
114 amount of state moneys set at the United States of America treasury securities
115 maturing and becoming payable closest to the time of termination of the deposit
116 indicated in subdivisions (1) to (5) of subsection 4 of this section.

117 7. Within the parameters of the state treasurer's written investment
118 policy, the state treasurer may subscribe for or purchase outright or by
119 repurchase agreement investments of the character described in subsection 3 of
120 this section which the treasurer, in the exercise of the treasurer's best judgment,
121 believes to be the best for investment of state moneys at the time and in payment
122 therefor may withdraw moneys from any bank account, demand or time,
123 maintained by the treasurer without having any supporting warrant of the
124 commissioner of administration. The state treasurer may bid on subscriptions for
125 such obligations in accordance with the treasurer's best judgment. The state
126 treasurer shall provide for the safekeeping of all such obligations so acquired in
127 the same manner that securities pledged to secure the repayment of state moneys
128 deposited in banking institutions are kept by the treasurer pursuant to law. The
129 state treasurer may hold any such obligation so acquired by the treasurer until
130 its maturity or prior thereto may sell the same outright or by reverse repurchase
131 agreement provided the state's security interest in the underlying security is
132 perfected or temporarily exchange such obligation for cash or other authorized
133 securities of at least equal market value with no maturity more than one year
134 beyond the maturity of any of the traded obligations, for a negotiated fee as the
135 treasurer, in the exercise of the treasurer's best judgment, deems necessary or
136 advisable for the best interest of the people of the state of Missouri in the light
137 of the circumstances at the time prevailing. The state treasurer may pay all costs
138 and expenses reasonably incurred by the treasurer in connection with the
139 subscription, purchase, sale, collection, safekeeping or delivery of all such
140 obligations at any time acquired by the treasurer.

141 8. As used in this chapter, except as more particularly specified in section
142 30.270, obligations of the United States shall include securities of the United
143 States Treasury, and United States agencies or instrumentalities as described in

144 Section 15, Article IV, Constitution of Missouri. The word "temporarily" as used
145 in this section shall mean no more than six months.

30.753. 1. The state treasurer may invest in linked deposits; however, the
2 total amount so deposited at any one time shall not exceed, in the aggregate,
3 [seven hundred twenty] **eight hundred** million dollars. No more than three
4 hundred thirty million dollars of the aggregate deposit shall be used for linked
5 deposits to eligible farming operations, eligible locally owned businesses, eligible
6 agribusinesses, eligible beginning farmers, eligible livestock operations, and
7 eligible facility borrowers, no more than one hundred [ten] **ninety** million of the
8 aggregate deposit shall be used for linked deposits to small businesses, no more
9 than twenty million dollars shall be used for linked deposits to eligible
10 multitenant development enterprises, and no more than twenty million dollars
11 of the aggregate deposit shall be used for linked deposits to eligible residential
12 property developers and eligible residential property owners, no more than two
13 hundred twenty million dollars of the aggregate deposit shall be used for linked
14 deposits to eligible job enhancement businesses and no more than twenty million
15 dollars of the aggregate deposit shall be used for linked deposit loans to eligible
16 water systems. Linked deposit loans may be made to eligible student borrowers,
17 eligible alternative energy operations, eligible alternative energy consumers, and
18 eligible governmental entities from the aggregate deposit. If demand for a
19 particular type of linked deposit exceeds the initial allocation, and funds initially
20 allocated to another type are available and not in demand, the state treasurer
21 may commingle allocations among the types of linked deposits.

22 2. The minimum deposit to be made by the state treasurer to an eligible
23 lending institution for eligible job enhancement business loans shall be ninety
24 thousand dollars. Linked deposit loans for eligible job enhancement businesses
25 may be made for the purposes of assisting with relocation expenses, working
26 capital, interim construction, inventory, site development, machinery and
27 equipment, or other expenses necessary to create or retain jobs in the recipient
28 firm.

30.758. 1. The state treasurer may accept or reject a linked deposit loan
2 package or any portion thereof.

3 2. The state treasurer shall make a good faith effort to ensure that the
4 linked deposits are placed with eligible lending institutions to make linked
5 deposit loans to minority- or female-owned eligible multitenant enterprises,
6 eligible farming operations, eligible alternative energy operations, eligible

7 alternative energy consumers, eligible locally owned businesses, eligible small
8 businesses, eligible job enhancement businesses, eligible marketing enterprises,
9 eligible residential property developers, eligible residential property owners,
10 eligible governmental entities, eligible agribusinesses, eligible beginning farmers,
11 eligible livestock operations, eligible student borrowers, eligible facility borrowers,
12 or eligible water supply systems. Results of such effort shall be included in the
13 linked deposit review committee's annual report to the governor.

14 3. Upon acceptance of the linked deposit loan package or any portion
15 thereof, the state treasurer may place linked deposits with the eligible lending
16 institution as follows: when market rates are five percent or above, the state
17 treasurer shall reduce the market rate by up to three percentage points to obtain
18 the linked deposit rate; when market rates are less than five percent, the state
19 treasurer shall reduce the market rate by up to sixty percent to obtain the linked
20 deposit rate. All linked deposit rates are determined and calculated by the state
21 treasurer. When necessary, the treasurer may place linked deposits prior to
22 acceptance of a linked deposit loan package.

23 4. The eligible lending institution shall enter into a deposit agreement
24 with the state treasurer, which shall include requirements necessary to carry out
25 the purposes of sections 30.750 to 30.765. The deposit agreement shall specify
26 the length of time for which the lending institution will lend funds upon receiving
27 a linked deposit, and the original deposit plus renewals shall not exceed five
28 years, except as otherwise provided in this chapter. The agreement shall also
29 include provisions for the linked deposit of a linked deposit for an eligible facility
30 borrower, eligible multitenant enterprise, eligible farming operation, eligible
31 alternative energy operation, eligible alternative energy consumer, eligible locally
32 owned business, eligible small business, eligible marketing enterprise, eligible
33 residential property developer, eligible residential property owner, eligible
34 governmental entity, eligible agribusiness, eligible beginning farmer, eligible
35 livestock operation, eligible student borrower or job enhancement
36 business. Interest shall be paid at the times determined by the state treasurer.

37 5. The period of time for which such linked deposit is placed with an
38 eligible lending institution shall be neither longer nor shorter than the period of
39 time for which the linked deposit is used to provide loans at reduced interest
40 rates. The agreement shall further provide that the state shall receive market
41 interest rates on any linked deposit or any portion thereof for any period of time
42 for which there is no corresponding linked deposit loan outstanding to an eligible

43 multitenant enterprise, eligible farming operation, eligible alternative energy
44 operation, eligible alternative energy consumer, eligible locally owned business,
45 eligible small business, eligible job enhancement business, eligible marketing
46 enterprise, eligible residential property developer, eligible residential property
47 owner, eligible governmental entity, eligible agribusiness, eligible beginning
48 farmer, eligible livestock operation, eligible student borrower, eligible facility
49 borrower, or eligible water supply system, except as otherwise provided in this
50 subsection. Within thirty days after the annual anniversary date of the linked
51 deposit, the eligible lending institution shall repay the state treasurer any linked
52 deposit principal received from borrowers in the previous yearly period and
53 thereafter repay such principal within thirty days of the yearly anniversary date
54 calculated separately for each linked deposit loan, and repaid at the linked
55 deposit rate. Such principal payment shall be accelerated when more than thirty
56 percent of the linked deposit loan is repaid within a single monthly period. Any
57 principal received and not repaid, up to the point of the thirty percent or more
58 payment, shall be repaid within thirty days of that payment at the linked deposit
59 rate. Finally, when the linked deposit is tied to a revolving line of credit
60 agreement between the banking institution and its borrower, the full amount of
61 the line of credit shall be excluded from the repayment provisions of this
62 subsection.

63 **6. The state treasurer shall give priority to maintaining linked**
64 **deposit agreement renewals over funding new linked deposit**
65 **applications.**

70.705. 1. The "Members Deposit Fund" is hereby created. It shall be the
2 fund in which shall be accumulated the contributions made by members to the
3 system, and from which shall be made transfers and refunds of members'
4 contributions as provided in sections 70.600 to 70.755.

5 2. Except as provided otherwise in this section, the contributions of a
6 member to the system shall be four percent of his compensations after the date
7 he has completed sufficient employment for six months of credited service. Such
8 contributions shall be made notwithstanding that the minimum salary or wages
9 provided by law for any member shall thereby be changed. Each member shall
10 be deemed to consent and agree to the deductions made and provided for
11 herein. Payment of a member's compensation less such deductions shall be a full
12 and complete discharge and acquittance of all claims and demands whatsoever
13 for services rendered by him to a political subdivision, except as to benefits

14 provided by this system.

15 3. The officer or officers responsible for making up the payrolls for each
16 political subdivision shall cause the contributions provided for in this section to
17 be deducted from the compensation of each member in the employ of the political
18 subdivision, on each and every payroll, for each and every payroll period after the
19 date he has completed sufficient employment for six months of credited service
20 to the date his membership terminates. When deducted, each of these amounts
21 shall be paid by the political subdivision to the system; the payments shall be
22 made in the manner and shall be accompanied by such supporting data as the
23 board shall from time to time prescribe. When paid to the system, each of the
24 amounts shall be credited to the members deposit fund account of the member
25 from whose compensations the contributions were deducted.

26 4. In addition to the contributions deducted from the compensations of a
27 member, as heretofore provided, a member shall deposit in the members deposit
28 fund, by a single contribution or by an increased rate of contributions, as
29 approved by the board, the amount or amounts he may have withdrawn therefrom
30 and not repaid thereto, together with regular interest from the date of withdrawal
31 to the date of repayment. In no case shall a member be given credit for service
32 rendered prior to the date he withdrew his accumulated contributions until he
33 returns to the members deposit fund all amounts due the fund by him.

34 5. Upon the retirement of a member, or upon his death if an allowance
35 becomes payable on account of his death, his accumulated contributions shall be
36 transferred to the benefit reserve fund.

37 6. Each political subdivision, by majority vote of its governing body, may
38 elect with respect to its members **an alternate contribution amount of two**
39 **percent or six percent of compensation or** to eliminate future member
40 contributions otherwise provided for in this section. **Should a political**
41 **subdivision elect one benefit program for members whose political**
42 **subdivision employment is concurrently covered by federal Social**
43 **Security and a different benefit program for members whose political**
44 **subdivision employment is not concurrently covered by federal Social**
45 **Security, as provided in section 70.655, the political subdivision may**
46 **also, by majority vote of its governing body, make one election**
47 **concerning member contributions provided for in this section for**
48 **members whose political subdivision employment is concurrently**
49 **covered by federal Social Security and one election concerning member**

50 **contributions provided for in this section for members whose political**
51 **subdivision employment is not concurrently covered by federal Social**
52 **Security.** The clerk or secretary of the political subdivision shall certify the
53 election concerning member contributions to the board within ten days after such
54 vote. The effective date of the political subdivision's member contribution election
55 is the first day of the calendar month specified by such governing body, or the
56 first day of the calendar month next following receipt by the board of the
57 certification of such election, or the effective date of the political subdivision's
58 becoming an employer, whichever is the latest. Such election concerning member
59 contributions may be changed from time to time by such vote, but not more often
60 than once in two years. Except as provided in section 70.707, if such election is
61 to eliminate member contributions, then such election shall apply only to future
62 member compensations and shall not change the status of any member
63 contributions made before such election. If the effect of such election is to require
64 member contributions, then such election shall apply only to future member
65 compensations and shall not change any member contribution requirements
66 existing before such election. Should an employer change its member
67 contribution requirements as provided in this section, the employer contribution
68 requirements shall be correspondingly changed effective the same date as the
69 member contribution change. The limitation on increases in an employer's
70 contribution provided by subsection 6 of section 70.730 shall not apply to any
71 contribution increase resulting from an employer electing to eliminate member
72 contributions.

100.255. As used in sections 100.250 to 100.297, the following terms
2 mean:

3 (1) "Board", the Missouri development finance board created by section
4 100.265;

5 (2) "Borrower", any person, partnership, public or private corporation,
6 association, development agency or any other entity eligible for funding under
7 sections 100.250 to 100.297;

8 (3) "Development agency", any of the following:

9 (a) A port authority established pursuant to chapter 68;

10 (b) The bi-state development agencies established pursuant to sections
11 70.370 to 70.440, and sections 238.010 to 238.100;

12 (c) A land clearance for redevelopment authority established pursuant to
13 sections 99.300 to 99.660;

14 (d) A county, city, incorporated town or village or other political
15 subdivision or public body of this state;

16 (e) A planned industrial expansion authority established pursuant to
17 sections 100.300 to 100.620;

18 (f) An industrial development corporation established pursuant to sections
19 349.010 to 349.105;

20 (g) A real property tax increment financing commission established
21 pursuant to sections 99.800 to 99.865;

22 (h) Any other governmental, quasi-governmental or quasi-public
23 corporation or entity created by state law or by resolution adopted by the
24 governing body of a development agency otherwise described in paragraphs (a)
25 through (g) of this subdivision;

26 (4) "Development and reserve fund", the industrial development and
27 reserve fund established pursuant to section 100.260;

28 (5) "Export finance fund", the Missouri export finance fund established
29 pursuant to section 100.260;

30 (6) "Export trade activities" includes, but is not limited to, consulting,
31 international market research, advertising, marketing, insurance, product
32 research and design, legal assistance, transportation, including trade
33 documentation and freight forwarding, communication, and processing of foreign
34 orders to and for exporters and foreign purchases and warehousing, when
35 undertaken to export or facilitate the export of goods or services produced or
36 assembled in this state;

37 (7) "Guarantee fund", the industrial development guarantee fund
38 established by section 100.260;

39 (8) "Infrastructure development fund", the infrastructure development
40 fund established under section 100.263;

41 (9) "Infrastructure facilities", the highways, streets, bridges, water supply
42 and distribution systems, mass transportation facilities and equipment,
43 telecommunication facilities, jails and prisons, sewers and sewage treatment
44 facilities, wastewater treatment facilities, airports, railroads, reservoirs, dams
45 and waterways in this state, acquisition of blighted real estate and the
46 improvements thereon, demolition of existing structures and preparation of sites
47 in anticipation of development, public facilities, and any other improvements
48 provided by any form of government or development agency;

49 (10) "Jobs now fund", the jobs now fund established under section 100.260;

50 (11) "Jobs now projects", the purchase, construction, extension, and
51 improvement of real estate, plants, buildings, structures, or facilities, whether or
52 not now in existence, used or to be used primarily as infrastructure facilities or
53 public facilities. When any entity provides a certified design or operation plan
54 which is demonstrably less than the usual and customary average industry
55 determination of cost for installation, construction, purchasing, extension, and
56 improvement of real estate, manufacturing facilities, buildings, structures or
57 facilities, including public facilities, then the entity or company providing such
58 service may receive payment in an amount equal to the usual and customary fee
59 for such project plus additional compensation equal to two times the percentage
60 by which the cost of such aforementioned criteria of such facility is less than the
61 usual and customary average industrial determination of cost for installation,
62 construction, materials, extension and improvement of real estate, manufacturing
63 facilities, buildings, structures, or facilities, including public facilities. Such
64 entity shall also pay to such company providing such aforementioned service
65 compensation equal to twenty-five percent of the amount of any annual
66 operational costs which are lower than the customary average industry
67 determination of cost for operation for such facility, procedure, or service for a
68 period of time equal to one-fourth the design lifetime of such entity or five years
69 whichever is less;

70 (12) "Participating lender", a lender authorized by the board to participate
71 with the board in the making of a loan or to make loans the repayment of which
72 is secured by the development and reserve fund;

73 (13) "Project", the purchase, construction, extension, and improvement of
74 real estate, plants, buildings, structures or facilities, whether or not now in
75 existence, used or to be used primarily as a factory, assembly plant,
76 manufacturing plant, fabricating plant, distribution center, warehouse building,
77 office building, port terminal or facility, transportation and transfer facility,
78 industrial plant, processing plant, commercial or agricultural facility, nursing or
79 retirement facility or combination thereof, recreational facility, cultural facility,
80 public facilities, job training or other vocational training facility, infrastructure
81 facility, video-audio telecommunication conferencing facility, office building,
82 facility for the prevention, reduction, disposal or control of pollution, sewage or
83 solid waste, facility for conducting export trade activities, or research and
84 development building in connection with any of the facilities defined as a project
85 in this subdivision. The term "project" shall also include any improvements,

86 including, but not limited to, road or rail construction, alteration or relocation,
87 and construction of facilities to provide utility service for any of the facilities
88 defined as a project under this subdivision, along with any fixtures, equipment,
89 and machinery, and any demolition and relocation expenses used in connection
90 with any such projects and any capital used to promote and facilitate such
91 facilities and notes payable from anticipated revenue issued by any development
92 agency. **The term “project” shall also include any transfer, expenditure**
93 **or working capital of the state, any agency or department of the state**
94 **or any development agency;**

95 (14) "Public facility", any facility or improvements available for use by the
96 general public including facilities for which user or other fees are charged on a
97 nondiscriminatory basis.

362.1015. For purposes of sections 362.1010 to 362.1115, the following
2 terms mean:

3 (1) "Authorized representative", if a family trust company is organized as
4 a corporation, then an officer or director of the family trust company or, if a
5 family trust company is organized as a limited liability company, then a manager,
6 officer, or member of the family trust company;

7 (2) "Collateral kinship", a relationship that is not lineal but stems from
8 a common ancestor;

9 (3) "Controlling stockholder or member", an individual who owns or has
10 the ability or power to directly or indirectly vote ten percent or more of the
11 outstanding shares, membership interest, or membership units of the family trust
12 company;

13 (4) "Designated relative", a common ancestor of a family, either living or
14 deceased, who is so designated in [an organizational instrument. No family trust
15 company shall have more than one designated relative] **a family trust**
16 **company's initial registration application and any annual registration**
17 **report;**

18 (5) "Engage in trust company business with the general public", any sales,
19 solicitations, arrangements, agreements, or transactions to provide trust or other
20 business services, whether for a fee, commission, or any other type of
21 remuneration, with any person who is not a family member or any sole
22 proprietorship, partnership, limited liability company, joint venture, association,
23 corporation, trust, estate, business trust, or other company that is not one
24 hundred percent owned by one or more family members;

25 (6) "Family affiliate", a company or other entity wholly and exclusively
26 owned by, directly or indirectly, and operated for the sole benefit of:

27 (a) One or more family members; or

28 (b) Charitable foundations, charitable trusts, or other charitable entities
29 if such foundation, trust, or entity is funded exclusively by one or more family
30 members;

31 (7) "Family member":

32 (a) A designated relative;

33 (b) Any person within the tenth degree of lineal kinship of a designated
34 relative;

35 (c) Any person within the ninth degree of collateral kinship to a
36 designated relative;

37 (d) The spouse of any person who qualifies under paragraphs (a) through
38 (c) of this subdivision;

39 (e) Any former spouse of any person who qualifies under paragraphs (a)
40 through (c) of this subdivision;

41 (f) The probate estate of any person who qualified as a family member
42 under paragraphs (a) through (e) of this subdivision;

43 (g) A family affiliate;

44 (h) An irrevocable trust funded exclusively by one or more family
45 members of which all permissible distributees, as defined under subdivision (16)
46 of section 456.1-103, qualify under paragraphs (a) through (g) of this subdivision
47 or are charitable foundations, charitable trusts, or other charitable entities; [or]

48 (i) **An irrevocable trust of which one or more family members are**
49 **the only permissible distributees; or**

50 (j) A revocable trust of which one or more family members are the sole
51 settlors.

52 For purposes of this subdivision, a legally adopted person shall be treated as a
53 natural child of the adoptive parents; a stepchild shall be treated as a natural
54 child of the family member who is or was the stepparent of that child; and a
55 foster child or an individual who was a minor when a family member became his
56 or her legal guardian shall be treated as a natural child of the family member
57 appointed as foster parent or guardian. Degrees of kinship are calculated by
58 adding the number of steps from the designated relative through each person to
59 the family member either directly in case of lineal kinship or through the common
60 ancestor in the case of collateral kinship;

61 (8) "Family trust company", a corporation or limited liability company
62 organized or qualified to do business in this state that is wholly owned and
63 exclusively controlled by, directly or indirectly, one or more family members,
64 excluding any former spouse of a family member; that operates for the exclusive
65 benefit of a family member regardless of whether compensation is received or
66 anticipated; and that does not engage in trust company business with the general
67 public or otherwise hold itself out as a trustee for hire by advertisement,
68 solicitation, or other means. The term "family trust company" shall include
69 foreign family trust companies unless context indicates otherwise;

70 (9) "Family trust company affiliated party":

71 (a) A director, officer, manager, employee, or controlling stockholder or
72 member of a family trust company; or

73 (b) A stockholder, member, or any other person as determined by the
74 secretary who participates in the affairs of a family trust company;

75 (10) "Foreign family trust company", a family trust company that:

76 (a) Is licensed by the District of Columbia or a state in the United States
77 other than this state;

78 (b) Has its principal place of business in the District of Columbia or a
79 state in the United States other than this state;

80 (c) Is operated in accordance with family or private trust company laws
81 of the District of Columbia or of the state in which it is licensed;

82 (d) Is subject to statutory or regulatory mandated oversight by the District
83 of Columbia or state in which the principal place of business is located; and

84 (e) Is not owned by or a subsidiary of a corporation, limited liability
85 company, or other business entity that is organized in or licensed by any foreign
86 country;

87 (11) "Lineal kinship", a relationship in the direct line of ascent or descent
88 from a designated relative;

89 (12) "Officer", an individual, regardless of whether the individual has an
90 official title or receives a salary or other compensation, who may participate in
91 the major policy-making functions of a family trust company other than as a
92 director. The term shall not include an individual who may have an official title
93 and exercises discretion in the performance of duties and functions but who does
94 not participate in determining the major policies of the family trust company and
95 whose decisions are limited by policy standards established by other officers,
96 regardless of whether the policy standards have been adopted by the board of

97 directors. The chair of the board of directors, the president, the chief executive
98 officer, the chief financial officer, the senior trust officer, all executive vice
99 presidents of a family trust company, and all managers if organized as a limited
100 liability company are presumed to be officers unless such officer is excluded, other
101 than in the capacity of a director, by resolution of the board of directors or
102 members or by the bylaws or operating agreement of the family trust company
103 from participating in major policy-making functions of the family trust company,
104 and such excluded officer does not actually participate therein;

105 (13) "Organizational instrument", the articles of incorporation for a
106 corporation or the articles of organization for a limited liability company, **as they**
107 **may be amended or supplemented from time to time;**

108 (14) "Principal place of business", the physical location where officers of
109 a family trust company direct, control, and coordinate the trust company's
110 activities;

111 (15) "Principal place of operations", the physical location in this state
112 where a foreign family trust company stores and maintains its books and records
113 pertaining to operations in this state;

114 (16) "Qualified beneficiary", the same meaning as defined under
115 subdivision (21) of section 456.1-103;

116 (17) "Registered agent", a business or individual designated by a family
117 trust company to receive service of process on behalf of the family trust company;

118 (18) "Reports of examinations, operations, or conditions", records
119 submitted to the secretary or prepared by the secretary as part of the secretary's
120 duties performed under sections 362.1010 to 362.1117;

121 (19) "Secretary", the secretary of state for the state of Missouri;

122 (20) "Secretary's designee", an attorney-at-law or a certified public
123 accountant designated by the secretary under subsection 1 of section 362.1085;

124 (21) "Working papers", the records of the procedures followed, tests
125 performed, information obtained, and conclusions reached in an investigation
126 under sections 362.1010 to 362.1117. The term shall also include books and
127 records.

362.1030. 1. There is hereby established in the state treasury the "Family
2 Trust Company Fund", which shall consist of all fees collected by the secretary
3 from family trust companies registering as provided in this section. The state
4 treasurer shall be custodian of the fund. In accordance with sections 30.170 and
5 30.180, the state treasurer may approve disbursements. The fund shall be a

6 dedicated fund, and moneys in the fund shall be used solely to support the
7 secretary's role and fulfillment of duties under sections 362.1010 to
8 362.1117. Notwithstanding the provisions of section 33.080 to the contrary, any
9 moneys remaining in the fund at the end of the biennium **that exceed twenty**
10 **thousand dollars** shall revert to the credit of the general revenue fund. The
11 state treasurer shall invest moneys in the fund in the same manner as other
12 funds are invested. Any interest and moneys earned on such investments shall
13 be credited to the fund.

14 2. [No] A family trust company **that is not a foreign family trust**
15 **company** shall **not** conduct business in this state unless such family trust
16 company:

17 (1) **Files its organizational instrument with the secretary;**

18 (2) **Pays a one-time original filing fee of five thousand dollars to the**
19 **secretary; and**

20 (3) **Registers by filing with the secretary an initial registration**
21 **application** in a format prescribed by the secretary.

22 3. **A foreign family trust company shall not conduct business in**
23 **this state unless such foreign family trust company:**

24 (1) **Pays a one-time original filing fee of five thousand dollars to**
25 **the secretary;**

26 (2) **Registers by filing with the secretary an initial registration**
27 **application in a format prescribed by the secretary; and**

28 (3) **If such foreign family trust company is a corporation, files an**
29 **application for a certificate of authority or, if such foreign family trust**
30 **company is a limited liability company, files an application for**
31 **registration.**

32 4. The secretary shall deposit all family trust company filing fees into the
33 family trust company fund established under subsection 1 of this section.

34 [3. To register, a family trust company that is not a foreign family trust
35 company shall file its organizational instrument with the secretary. At a
36 minimum, the organizational instrument shall state:

37 (1) The name of the designated relative;

38 (2) That the family trust company is a family trust company as defined
39 under sections 362.1010 to 362.1117; and

40 (3) That its operations will comply with sections 362.1010 to 362.1117.

41 4. A foreign family trust company shall register by filing with the

42 secretary:

43 (1) An initial registration to begin operations as a foreign family trust
44 company; and

45 (2) An application for a certificate of authority in accordance with and
46 subject to chapters 347 or 351.]

47 5. A foreign family trust company application shall be submitted on a
48 form prescribed by the secretary and be signed, under penalty of perjury, by an
49 authorized representative. At a minimum, the application shall include:

50 (1) A statement attesting that the foreign family trust company:

51 (a) Will comply with the provisions of sections 362.1010 to 362.1117; and

52 (b) Is in compliance with the family trust company laws and regulations
53 of the jurisdiction of its incorporation or organization;

54 (2) The current telephone number and street address of:

55 (a) The foreign family trust company's principal place of business in the
56 jurisdiction of its incorporation or organization;

57 (b) The foreign family trust company's principal place of operations; and

58 (c) Any other offices located within this state;

59 (3) The name and current street address in this state of its registered
60 agent;

61 (4) A certified copy of a certificate of good standing, or an equivalent
62 document, authenticated by the official having custody of records in the
63 jurisdiction where the foreign family trust company is incorporated or organized;

64 (5) Satisfactory proof, as determined by the secretary, that the foreign
65 family trust company is organized in a manner similar to a Missouri family trust
66 company and is in compliance with the family trust company laws and
67 regulations of the jurisdiction in which the foreign family trust company was
68 incorporated or organized; and

69 (6) Any other information reasonably and customarily required by the
70 secretary of foreign corporations or foreign limited liability companies seeking to
71 qualify to conduct business in this state.

362.1037. Exclusive authority to manage a family trust company shall be
2 vested in:

3 (1) If a corporation, a board of directors that consists of at least three
4 directors; or

5 (2) If a limited liability company, a board of directors or managers that
6 consists of **at least** three directors or managers.

7 At least one director or manager of the company shall be a resident of this state.

362.1040. 1. One or more persons may subscribe to an organizational
2 instrument in writing for the purpose of forming a family trust company, subject
3 to the conditions prescribed by law.

4 2. The organizational instrument of a family trust company shall set forth
5 all of the information required under [chapters] **chapter** 347 or 351, as
6 applicable, and the following:

7 (1) The name of the company, which shall distinguish the company from
8 any other nonfamily trust company or family trust company formed or engaging
9 in business in this state. If the word "trust" is included in the name, it shall be
10 immediately preceded by the word "family" so as to distinguish the entity from
11 a nonfamily trust company operating under this chapter. This subdivision shall
12 not apply to a foreign family trust company using a fictitious name that is
13 registered and maintained in this state pursuant to the requirements
14 administered by the secretary and that distinguishes the foreign family trust
15 company from a nonfamily trust company authorized to operate under this
16 chapter;

17 (2) **A statement that** the purpose for which the company is formed[,
18 which shall clearly identify the restricted activities permissible to a family trust
19 company] **is to engage in any and all activities permitted** under sections
20 362.1010 to 362.1117; and

21 (3) A statement affirming that the family trust company shall not engage
22 in trust company business with the general public.

23 3. The term "trust company" in the name adopted by a family trust
24 company shall not **be deemed to** violate section 362.425.

362.1070. 1. The assets forming the minimum capital account of a family
2 trust company shall:

3 (1) Consist of cash, United States Treasury obligations, or any
4 combination thereof; and

5 (2) Have an aggregate market value of at least one hundred percent of the
6 company's required capital account, as specified under subsection 1 of section
7 362.1035. If the aggregate market value of one hundred percent of the company's
8 capital account is, at any time, less than the amount required under subsection
9 1 of section 362.1035, the company shall have five business days to bring such
10 capital account into compliance with subsection 1 of section 362.1035.

11 2. A family trust company may purchase or rent real or personal property

12 for use in conducting business and other activities of the company.

13 3. Notwithstanding any other provision of law, a family trust company
14 may invest funds for its own account, other than those required or allowed under
15 subsection 1 or 2 of this section, in any type or character of equity securities, debt
16 securities, or other assets.

17 4. Notwithstanding any other provision of law, a family trust company
18 may, while acting as a fiduciary, purchase directly from underwriters or
19 broker-dealers or purchase in the secondary market:

20 (1) Bonds or other securities underwritten or brokered by:

21 (a) The family trust company;

22 (b) A family affiliate; or

23 (c) A syndicate, including the family trust company or a family affiliate;

24 and

25 (2) Securities of investment companies for which the family trust company
26 acts as an advisor, custodian, distributor, manager, registrar, shareholder
27 servicing agent, sponsor, or transfer agent. For purposes of this section,
28 investment companies shall be deemed to include mutual funds, closed-end funds,
29 or unit-investment trusts as defined under the Investment Company Act of 1940,
30 P.L. 76-768, as amended.

31 5. The authority granted under subsection 4 of this section may be
32 exercised only if:

33 (1) The investment is not expressly prohibited by the instrument,
34 judgment, decree, or order that establishes the fiduciary relationship;

35 (2) The family trust company procures in writing the consent of all
36 cofiduciaries with discretionary investment powers to the investment, if any; and

37 (3) The family trust company discloses its intent to exercise the authority
38 granted under subsection 4 of this section in writing to all [of the trust company's
39 account statement recipients] **family members for whom the investment is**
40 **to be made, which shall occur** before the first exercise of such authority, and
41 each such disclosure states:

42 (a) Any interest the family trust company has or reasonably expects to
43 have in the underwriting or distribution of the bonds or securities;

44 (b) Any fee or other compensation received or reasonably expected to be
45 received by the family trust company as a result of the transaction or services
46 provided to an investment company; and

47 (c) Any relationship between the family trust company and an investment

48 company.

49 6. Subsections 4 and 5 of this section shall not affect the degree of
50 prudence required of fiduciaries under the laws of this state. However, a
51 purchase of bonds or securities under this section shall be presumed unaffected
52 by a conflict between the fiduciary's personal and fiduciary interests if such
53 purchase:

54 (1) Is negotiated at a fair price;

55 (2) **If the family member served by the family trust company is**
56 **a trust**, is in accordance with:

57 (a) The interest of the qualified beneficiaries of the trust for which the
58 purchase is made; and

59 (b) The purposes of the trust; and

60 (3) Otherwise complies with:

61 (a) The Missouri prudent investor act, sections 469.900 to 469.913, unless
62 such compliance is waived in a manner as provided by law; and

63 (b) The terms of the instrument, judgment, decree, or order establishing
64 the fiduciary relationship.

65 7. Notwithstanding subsections 1 to 6 of this section, no family trust
66 company shall, while acting as a fiduciary, purchase a bond or security issued by
67 the family trust company, its parent, or a subsidiary company of either unless:

68 (1) The family trust company is expressly authorized to do so by:

69 (a) [The terms of the instrument creating the trust for which such
70 purchase is made;

71 (b)] A court order;

72 **(b) The terms of the instrument, judgment, decree, or order**
73 **establishing the fiduciary relationship; or**

74 **(c) If the fiduciary relationship was established by a trust**
75 **instrument**, the written consent of the settlor [of such trust for which the family
76 trust company is serving as trustee; or

77 (d) The written consent of every adult qualified beneficiary of such trust
78 who, at the time of such purchase, is entitled to receive income under the trust
79 or who would be entitled to receive a distribution of principal if the trust were
80 terminated] **or of every adult qualified beneficiary of the trust created**
81 **under that instrument for which such purchase is made; and**

82 (2) The purchase of the security is at a fair price and complies with the
83 Missouri prudent investor act, sections 469.900 to 469.913, unless compliance is

84 waived in a manner as provided by law, and with the terms of the instrument,
85 judgment, decree, or order establishing the fiduciary relationship.

86 8. Except as otherwise expressly limited by this section, a family trust
87 company is authorized, without limiting any powers otherwise conferred on
88 fiduciaries by law, to do any of the following actions while acting as a fiduciary,
89 and such actions shall be presumed to be unaffected by a conflict between the
90 fiduciary's personal and fiduciary interests:

91 (1) Make an equity investment in a closely held entity that may or may
92 not be marketable and that is directly or indirectly owned or controlled by one or
93 more family members;

94 (2) Place a security transaction using a broker who is a family member;

95 (3) Enter into an agreement with a family member who is the settlor or
96 a qualified beneficiary of a trust with respect to the appointment of the family
97 trust company as a fiduciary of the trust or with respect to the compensation of
98 the family trust company for service as a fiduciary;

99 (4) Transact business with a family member;

100 (5) Transact business with or invest in any asset of another trust, estate,
101 guardianship, or conservatorship for which the family trust company is a
102 fiduciary or in which a family member has an interest;

103 (6) Deposit trust assets in a financial institution that is owned, controlled,
104 or operated by one or more family members;

105 (7) Purchase, sell, hold, own, or invest in a security, bond, real property,
106 personal property, stock, or other asset of a family member; and

107 (8) With or without adequate security, lend moneys to or borrow moneys
108 from a family member or a trust, estate, or guardianship for which the family
109 trust company serves as a fiduciary.

110 9. If not inconsistent with and subject to the terms of subsections 4 to 8
111 of this section, the duty of loyalty under section 456.8-802 applies to a family
112 trust company when the family trust company serves as trustee of a trust whose
113 administration is subject to chapter 456.

370.010. Any seven persons, residents of the state of Missouri, may apply
2 to the director of the division of credit unions, for permission to organize a credit
3 union by signing and acknowledging [in triplicate] a certificate of organization
4 and entering into articles of agreement, in which they shall bind themselves to
5 comply with its requirements and with all the laws, rules and regulations
6 applicable to credit unions.

370.020. The certificate of organization shall state:

- 2 (1) The name of the proposed credit union and the city, town, or village
3 in which its business office is located;
- 4 (2) The names and addresses of the subscribers to the certificate, and the
5 number of shares subscribed by each;
- 6 (3) A statement that organization as a credit union is desired under this
7 particular law;
- 8 (4) The par value of the [general] **regular** shares, which shall not exceed
9 one hundred dollars;
- 10 (5) The par value of membership shares, if any, which shall not be less
11 than twenty-five nor more than one hundred dollars.

370.030. At the time of filing the certificate with the director of the
2 division of credit unions, the organizers shall submit[, in triplicate, sets of] **the**
3 bylaws with acknowledgment of their adoption by the organizers which shall
4 provide:

- 5 (1) For the annual meeting, which shall take place no later than one
6 hundred eighty days following the close of the fiscal year, the manner of
7 notification of meetings and the conduct of the same, the number of members
8 constituting a quorum and regulations as to voting;
- 9 (2) The number of directors, which shall not be less than five, all of whom
10 must be members, their powers and duties, together with the duties of officers
11 elected by the board of directors;
- 12 (3) The qualifications for membership;
- 13 (4) The number of members of the credit committee and of the supervisory
14 committee, if elected or appointed, which shall not be less than three each, their
15 terms of office, together with their respective powers and duties;
- 16 (5) The conditions under which shares may be issued, transferred and
17 withdrawn, loans made and repaid, and the funds otherwise invested; **and**
- 18 (6) The charges, if any, which shall be made for failure to meet obligations
19 punctually, whether or not the credit union shall have the power to borrow, the
20 method of receipting for money, the manner of accumulating a reserve fund and
21 determining a dividend.

370.071. A credit union may have the following additional powers:

- 2 (1) To contract for group insurance plans, approved by the state of
3 Missouri, on behalf of members electing to participate in such insurance programs
4 and to charge a fee for providing such services;

5 (2) To exercise such additional powers, with the approval of the director,
6 as federally chartered credit unions may be authorized under federal statutes;
7 however, this section shall not apply to field of membership provisions within this
8 chapter;

9 (3) To hold membership in central credit unions whose field of
10 membership includes credit unions, and to invest funds in shares of corporations
11 to aid the liquidity of credit unions;

12 (4) To act as the fiscal or transfer agent of the United States, of any state,
13 municipality, or political subdivision and in such capacity to receive and disburse
14 money, to transfer, register and countersign certificates of stock, bonds and other
15 evidences of indebtedness;

16 (5) Notwithstanding any other law to the contrary, a credit union may
17 charge initial and/or recurring membership fees, provided such fees have been
18 approved by a majority of the membership in attendance at any regular or special
19 meeting or by a mail **or electronic** ballot as provided in the credit union bylaws,
20 after notice of the purpose thereof shall have been mailed **or delivered to each**
21 **member**, at least seven days and no longer than sixty days prior to the date of
22 such meeting. Such membership fees shall not be construed as reserve income
23 but shall be used at the sole discretion of the board of directors for the benefit of
24 the credit union.

370.110. 1. Each credit union shall make a report of its condition [on or
2 before January thirty-first of each year], **verified by the president or the**
3 **president's designee, as required by the federal credit union insurer**
4 and at such other times as the director of the division of credit unions may
5 require.

6 2. [Such reports shall be made on blank forms to be provided by the
7 director of the division of credit unions and shall be verified under oath or
8 affirmation of the president and treasurer of the credit union.

9 3.] Any credit union which neglects to make any report when due, or
10 makes such report that is inaccurate or incomplete, shall forfeit to the state,
11 payable to the director of revenue, twenty-five dollars for each day of the first
12 seven days of such neglect and seventy-five dollars for each additional day
13 thereafter, after the due date of such report or such subsequent due date
14 established by the director in a notice to the credit union to correct an inaccurate
15 or incomplete report unless such payments are excused in whole or in part by the
16 director of the division of credit unions.

370.120. 1. The director of the division of credit unions, in person or by his or her agents, shall examine each credit union annually and at other times as he or she shall direct, and at all times shall have free access to all books, papers, securities and other sources of information pertaining to the credit union; except that the division of credit unions shall examine qualifying credit unions, as determined by the director, at least once each eighteen calendar months.

2. The director of the division of credit unions and his or her agents may subpoena and examine witnesses under oath or affirmation, and documents pertaining to the business of the credit unions.

3. The director of the division of credit unions may accept, in lieu of making an annual examination of a credit union, an audit report of the condition of the credit union made by an auditor approved by the director of the division of credit unions for the purpose of making such credit union audits, the cost of which audit shall be borne by the credit union.

4. The director of the division of credit unions may accept, in lieu of conducting an annual examination of a credit union, a final examination report of the credit union made by the federal credit union insurer.

370.130. 1. If any credit union neglects for [fifteen] **thirty** days to make the required reports or to pay the required charges, including charges for delay in filing reports, the director shall notify such credit union of his **or her** intention to revoke its certificate of approval.

2. If such neglect or failure continues for an additional fifteen days, the director may revoke the certificate of approval of such credit union.

3. Whenever the director revokes the certificate of approval of any credit union, he **or she** shall file notice of such revocation with the secretary of state.

370.151. 1. The director may call a special meeting of the members to consider and act upon a plan of reorganization; but he **or she** may at his **or her** option require the president or secretary to do so. Notice of the meeting shall be mailed **or delivered** to each member, or posted in a conspicuous place frequented by the members, at least seven days before the meeting.

2. If the plan of reorganization is approved by a two-thirds majority of the votes cast at the meeting, it shall become effective upon the date, terms and conditions specified therein, and the director shall, upon, or as of, the date, return the possession, assets and conduct of the business of the credit union to its directors and officers.

11 3. If a reorganization plan, when submitted to the members as herein
12 provided, is not approved by the required majority, the director may issue a
13 notice of involuntary liquidation and appoint a liquidating agent to liquidate the
14 credit union.

 370.170. 1. Special meetings of the members may be held by order of the
2 board of directors, or the supervisory committee, and shall be held on request of
3 ten percent of the members.

4 2. At all meetings a member shall have but one vote.

5 3. No member may vote by proxy, but a society, association, copartnership,
6 or corporation, having membership in a credit union, may be represented by one
7 person, previously authorized by such society, association, copartnership or
8 corporation to transact business with the credit union. The bylaws of a credit
9 union, when approved by the membership, may provide for mail **or electronic**
10 ballots for the election of officers.

11 4. By majority vote of those present at any meeting, the members may
12 decide on any matter of interest to the credit union, amend the bylaws relating
13 to qualifications for membership, the election or appointment of the supervisory
14 committee, determine the requirements for a credit committee and if such
15 committee should be elected or appointed, and overrule the directors on any
16 matter concerning guidelines for future plans and objectives, provided the notice
17 of the meeting has stated any such matter to be considered upon a written
18 request of any member, except that the members cannot cause the credit union
19 to breach or abrogate any legally binding obligation or contract previously
20 executed by the board.

 370.190. 1. [At the first meeting, and at each first meeting in the fiscal
2 year, the board of directors shall elect from their own number a president, vice
3 president, secretary and treasurer. If the bylaws so provide, the offices of
4 secretary and treasurer may be held by the same person.

5 2. Where the credit union bylaws so provide] **At its first meeting**
6 **following the annual membership meeting**, the board of directors[, in lieu
7 of the officers specified in subsection 1,] shall elect from their own number a
8 [chairman] **chair** of the board of directors, a vice [chairman] **chair**, a secretary
9 and a treasurer; and further shall designate such administrative officers
10 [including a president of the credit union and a vice president] as the bylaws may
11 provide. [In the event the bylaws of a credit union provide for the designation of
12 officers as provided in this subsection, where in this chapter there is a reference

13 to a "president" and "vice president", for such a credit union, the reference shall
14 be understood to be to "chairman of the board" and "vice chairman of the board";
15 and the word "manager" shall be understood to refer to a "president"] **If the**
16 **bylaws so provide, the offices of secretary and treasurer may be held**
17 **by the same person.**

18 [3.] **2.** The duties of the officers shall be prescribed by the board of
19 directors unless otherwise specified in the bylaws.

370.200. **1.** The board of directors shall have the general management of
2 the affairs, funds, and records of the corporation, and unless they shall be
3 specifically reserved to the members **or delegated to the president or**
4 **operating manager**, it shall be the special duty of the directors:

5 (1) To act upon [all] applications for membership [and on the exclusion
6 of members or the board may delegate to a membership officer the approval of
7 membership applications, and a record of such officer's approval or denial of
8 membership shall be available to the board of directors for inspection, and a
9 person denied membership by such officer may appeal such denial to the board]
10 **in the credit union;**

11 (2) To determine, from time to time, rates of interest which shall be
12 charged on loans;

13 (3) [To fix the amount of the surety bond which shall be required of each
14 officer having the custody of funds;

15 (4)] To fix the maximum number of shares which may be held by and the
16 maximum amount, both secured and unsecured, which may be loaned to any one
17 member, such limitations to apply alike to all members;

18 [(5) To declare dividends;

19 (6) To accept and act upon resignations and determine and fill vacancies
20 on the board of directors, credit committee, and, if the bylaws so provide, the
21 supervisory committee until the election or appointment of qualified successors;

22 (7)] **and**

23 (4) To have charge of the investment of funds of the credit union, other
24 than loans to members, and to perform such other duties as the members may,
25 from time to time, authorize[;

26 (8) To amend the bylaws except for those provisions in other sections of
27 this chapter specifically reserved for membership action].

28 **2. Additionally, the board shall have the duty to:**

29 **(1) Authorize the employment and compensation of the chief**

30 **executive officer;**

31 **(2) Approve an annual operating budget for the credit union;**

32 **(3) Declare dividends on regular shares;**

33 **(4) Accept and act upon resignations and determine and fill**
34 **vacancies on the board of directors, credit committee, and, if the**
35 **bylaws so provide, the supervisory committee until the election or**
36 **appointment of qualified successors;**

37 **(5) Amend the bylaws except for those provisions in other**
38 **sections of this chapter specifically reserved for membership action;**
39 **and**

40 **(6) Consider an appeal of a person denied membership by the**
41 **credit union.**

42 **3. Unless specifically prohibited by the bylaws, directors may**
43 **participate in and act at any meeting of the board through the use of**
44 **a telephone or other electronic means. Participation in the meeting in**
45 **this manner shall constitute attendance.**

370.220. 1. The credit committee or, **if authorized**, credit manager [, if
2 authorized,] shall [approve every loan or advance made by the credit union to its
3 members] **follow the bylaws, policies, and procedures established by the**
4 **board of directors regarding loans and advances.**

5 2. [Every application for a loan shall be in the format approved by the
6 board of directors.] The applicant shall state the purpose for which the loan is
7 desired and the security, if any, offered.

8 3. Security must be taken for any loan in excess of the limit set by written
9 policy of the board of directors. Endorsement of a note or assignment of shares
10 in any credit union shall be deemed security within the meaning of this section.

11 4. No loan shall be made unless it has received the majority approval of
12 the members of the committee present when the loan was considered, which
13 number shall constitute at least a majority of the committee. However, in the
14 case of any credit union having total assets in excess of one hundred thousand
15 dollars, the board of directors may appoint a credit manager. The credit manager
16 may be delegated authority to act on all or some applications for loans, reporting
17 monthly thereon to the credit committee or board of directors, as the case may be.

18 5. An applicant for a loan may appeal to the directors from the decision
19 of the credit committee or credit manager, if it is so provided in the bylaws, and
20 in the way and manner therein provided.

21 6. [Notwithstanding any other provisions in this chapter, the board of
22 directors may delegate to the treasurer, or manager, the power to make loans to
23 members provided the amount of any one such loan shall not exceed one hundred
24 dollars and the period of any such loan shall not exceed thirty days.

25 7.] The credit committee or, when authorized, a credit manager may
26 approve in advance, upon its or his **or her** own motion or upon application by a
27 member, an extension of credit, and loans may be granted to such members
28 within the limits of such extensions of credit. When an extension of credit has
29 been approved, applications for loans need no further consideration as long as the
30 aggregate obligation does not exceed the limits of such extension of credit. The
31 credit committee or, when authorized, the credit manager shall, at least once a
32 year, review, or cause to be reviewed, all extensions of credit and any extension
33 of credit shall expire if the member becomes more than ninety days delinquent
34 in his **or her** obligation to the credit union.

 370.230. 1. The supervisory committee shall make, or cause to be made,
2 an examination of the affairs of the credit union, at least annually, including its
3 books and accounts, and shall make, or cause to be made, a verification of
4 members' share and loan accounts in the same manner and with the same
5 frequency as required by federal law for federal credit unions, and shall review
6 the acts of the board of directors, credit committee and officers, any or all of
7 whom the supervisory committee may suspend at any time by a majority vote.

8 2. Within seven days after such suspension, the supervisory committee
9 shall cause notice to be given the members of a special meeting to take action on
10 such suspension, the call for the meeting to indicate clearly its purpose.

11 3. By a majority vote the committee may call a meeting of the members
12 to consider any violation of this chapter or of the bylaws, or any practice of the
13 credit union which, in the opinion of said committee, is unsafe and unauthorized.

14 4. During the fiscal year, the supervisory committee shall make or cause
15 to be made a thorough audit of the receipts, disbursements, income, assets, and
16 liabilities of the credit union, and shall make a full report on such audit to the
17 directors. In the event that a credit union has over one million dollars in assets,
18 an independent audit shall be required in lieu of the audit by the supervisory
19 committee, and a report on such audit shall be read at the annual meeting and
20 shall be filed and preserved with the records of the credit union.

21 5. **If the credit union bylaws so provide, the supervisory**
22 **committee shall elect a chair from their own number.**

23 **6.** The supervisory committee shall fill vacancies in their own number
24 until the next annual meeting or, if the bylaws so provide, vacancies may be filled
25 by appointment by the board of directors.

 370.235. [1.] As a condition precedent to qualification or entry upon the
2 discharge of his **or her** duties, every person appointed or elected to any position
3 requiring the receipt, payment of money or other personal property owned by a
4 credit union or in its custody or control as collateral or otherwise, shall give a
5 bond with some surety company, licensed to do business in this state, as surety
6 thereon in such reasonably adequate sum as the director shall require and
7 approve. The term "reasonably adequate" as used herein, requires the director
8 to have reasonable regard for the protection of the accounts and assets of the
9 credit union. In lieu of individual bonds, the director may accept a schedule or
10 blanket bond which covers all of the officers and employees of any credit union
11 whose duties include the receipt, payment or custody of money or other personal
12 property on behalf of the credit union. All bonds shall be in the form prescribed
13 by the director.

14 [2. Within forty-five days next after approval of such bonds by the board
15 of directors, attested copies thereof, with a certificate of their custodian that the
16 originals are in his possession, shall be filed with the director.]

 370.260. 1. A credit union may, upon the resignation or expulsion of a
2 member, cancel the shares of such member and apply the withdrawal value of
3 such shares toward the liquidation of the member's indebtedness.

4 2. Each member shall keep the credit union informed about his **or her**
5 current address. In the event a member fails to do this, a **quarterly** charge may
6 be made to the member's share account [for the actual cost of necessary locator
7 service in determining such address; provided, however, that such charge shall
8 not exceed five dollars. The charge shall be made only for amounts paid to a
9 person or concern normally engaged in providing such service, and shall be made
10 against the account or accounts of any one member not more than once in any
11 twelve-month period].

 370.275. Shares, share certificates, deposits and deposit certificates may
2 be held in the name of a member in trust for a beneficiary, in the name of a
3 nonmember in trust for a beneficiary who is a member or in the name of a trustee
4 of a trust of which a member is grantor, trustee or beneficiary. Beneficiaries may
5 be a minor or minors. No beneficiary, trustee or grantor of a trust, unless a
6 member in his **or her** own right, shall be permitted to vote, obtain loans, **or** hold

7 office [or be required to pay an entrance or membership fee]. Payment of part or
8 all of such a trust account to the party in whose name the account is held shall,
9 to the extent of such payment, discharge the liability of the credit union to that
10 party and to the beneficiary, and the credit union shall be under no obligation to
11 see to the application of such payment. In the event of death of the party in
12 whose name a trust account is held, and if the credit union has been given no
13 other written notice of the existence or terms of any trust, account funds and any
14 dividends or interest thereon shall be paid to the beneficiary.

**370.288. 1. A credit union may refuse to make a payment from an
2 account to a depositor, a shareholder, any trust or payable-on-death
3 account beneficiary, or any other person claiming an interest in the
4 account if the credit union:**

5 **(1) Is uncertain under the agreement governing the account of
6 who is entitled to receive the payment; or**

7 **(2) Has actual knowledge of a dispute between any depositors,
8 shareholders, beneficiaries with present vested rights in the account,
9 or other persons concerning ownership of the moneys in the account,
10 the proposed withdrawal, or any previous withdrawals from the
11 account.**

12 **2. If a credit union refuses to make a payment under subsection
13 1 of this section, the credit union:**

14 **(1) Shall notify, in writing, all depositors, shareholders,
15 beneficiaries with present vested rights in the account, and other
16 persons claiming an interest in the account of the basis for the credit
17 union's refusal; and**

18 **(2) May refuse to make the payment until all interested parties
19 consent in writing to the requested payment or a court with proper
20 jurisdiction orders the credit union to make the payment.**

21 **3. The credit union shall not be liable for damages as a result of
22 an action taken under this section.**

**370.310. 1. A credit union may lend to its members, as herein provided,
2 for such purposes and upon such security as the bylaws provide and the credit
3 committee or credit manager shall approve, provided that no secured or
4 unsecured loan shall be made in excess of two thousand dollars, except that if ten
5 percent of the assets of the credit union exceeds two thousand dollars then the
6 maximum amount of a loan by the credit union shall be ten percent of its assets,**

7 and unsecured loans to any one member shall not exceed the limitations found
8 in current written policies of the board of directors.

9 2. [A member who needs funds with which to purchase necessary supplies
10 for growing crops may receive a loan in installments instead of one sum.

11 3. A borrower may repay the whole or any part of his loan on any day on
12 which the office of the credit union is open for the transaction of business.

13 4.] All loans to directors, credit and supervisory committee members of the
14 credit union shall comply with all the requirements in this chapter and the credit
15 union bylaws with respect to loans to other members and may not be on terms
16 more favorable than those of loans extended to other member-borrowers and such
17 loans shall also be reported at the next regularly scheduled meeting of the board
18 of directors; and further, all such loans shall be reported to the director of the
19 division of credit unions annually.

370.340. 1. At any regularly called meeting the members, by a two-thirds
2 vote of those present, may expel from the credit union any member thereof.

3 2. A member may withdraw from a credit union[, as herein provided, by
4 filing a written notice of such intention] **upon request.**

5 3. The board of directors, **the president, or an executive officer**
6 **designated by the board** may expel a member pursuant to a written policy
7 adopted by [it] **the board**. Any person expelled [by the board] shall have the
8 right to [request a hearing before the board to reconsider the expulsion] **appeal**
9 **the decision pursuant to a written policy adopted by the board.**

10 4. The share balance of an expelled or withdrawing member, with any
11 dividends credited to his **or her** shares to the date of expulsion, or withdrawal,
12 shall be paid to said member but only as funds therefor become available, and,
13 after deducting any amounts due to the credit union by said member. The share
14 balance of an expelled or withdrawing member, with any dividends credited to his
15 **or her** shares, shall be paid to such member, subject to sixty days' notice, and
16 after deducting any amounts due to the credit union by said member.

17 5. Said member, when withdrawing shares, shall have no further right in
18 said credit union or to any of its benefits, but such expulsion or withdrawal shall
19 not operate to relieve such member from any remaining liability to the credit
20 union.

370.350. 1. At any meeting called for the purpose, notice of the purpose
2 being contained in the call, three-fourths of the membership present may vote to
3 dissolve the credit union and shall thereupon signify their consent to such

4 dissolution in writing and shall file such consent with the director of the division
5 of credit unions attested by a majority of its officers, with a statement of the
6 names and addresses of the directors and officers duly verified.

7 2. The director of the division of credit unions shall execute [in duplicate]
8 a certificate to the effect that such consent and statement have been filed and
9 that it appears therefrom that the credit union has complied with this section.

10 3. Such [duplicate] certificate shall be filed by the [credit union] **director**
11 in the office of the secretary of state.

12 4. The director shall then appoint the share insurer or guarantor of the
13 credit union, or other suitable person or persons, or entities, as liquidating agent,
14 who shall proceed to liquidate the credit union by procedures as defined by rules
15 and regulations.

16 5. The director of the division of credit unions is authorized to promulgate
17 rules and regulations concerning the dissolution of credit unions and, upon the
18 termination of such credit union, and upon notice to the director from his or her
19 appointed liquidating agent, the director of the division of credit unions shall
20 notify the secretary of state of such final dissolution.

21 6. No rule or portion of a rule promulgated under the authority of this
22 chapter shall become effective unless it has been promulgated pursuant to the
23 provisions of section 536.024.

24 7. The director of the division of credit unions, with the consent of another
25 credit union, may transfer the existing membership and related field of
26 membership of a credit union in dissolution to the second credit union and the
27 liquidating agent, upon receiving notice of such action, shall forward its records
28 of the members so to be transferred to the second credit union.

29 8. Notwithstanding any other provisions of this section, following a
30 membership vote to dissolve the credit union, the director of the division of credit
31 unions, or his or her appointee, may at the request of the board of directors
32 proceed to bring about an orderly dissolution of the credit union as provided in
33 subsection 4 of this section.

370.355. 1. Upon approval by the director of the division of credit unions,
2 articles of merger or articles of consolidation shall be executed [in triplicate,] by
3 each credit union, by its [president] **chair**, or a vice [president] **chair**, and
4 verified by him **or her**, and with the corporate seal of each credit union affixed
5 thereto, attested by its secretary or an assistant secretary, and shall set forth:

6 (1) The plan of merger or plan of consolidation;

7 (2) The total membership of each credit union; **and**

8 (3) As to each credit union the number of members voting for and against
9 the plan, respectively.

10 2. If the director of the division of credit unions finds that the articles
11 conform to law, when all required taxes or fees have been paid, **[he] the director**
12 shall file the same, keeping one copy as a permanent record, forward a copy to the
13 secretary of state after having issued a certificate of merger or a certificate of
14 consolidation, and a verified copy of the certificate, to which **[he] the director**
15 shall affix the other copy of the articles.

16 3. Upon the issuance of the certificate of merger or the certificate of
17 consolidation by the director of the division of credit unions, the merger or
18 consolidation shall be effected.

19 4. The certificate of merger with a copy of the articles of merger affixed
20 thereto by the director of the division of credit unions, or the certificates of
21 consolidation with the copy of the articles of consolidation and certified copy
22 thereof, with the copy of the articles of consolidation affixed thereto by the
23 director of the division of credit unions, shall be returned to the surviving credit
24 union, or new credit union, as the case may be, or to its representative.

370.356. 1. If a shareholder of a credit union which is a party to a merger
2 or consolidation files with such credit union, prior to or at the meeting of
3 shareholders or members at which the plan of merger or consolidation is
4 submitted to a vote, a written objection to such a plan of merger or consolidation,
5 and shall not vote in favor thereof, and the shareholder within ten days after the
6 merger or consolidation is effected, makes written demand on the surviving or
7 new credit union for payment of the fair value of his **or her** share as of the day
8 prior to the date on which the vote was taken approving the merger or
9 consolidation, the surviving or new credit union shall pay to such shareholder,
10 upon surrender of his **or her** pass book or other record representing the shares,
11 the fair value thereof as reflected by the books of the company, not including any
12 goodwill or statutory reserve fund that may be had by the credit union.

13 2. The demand shall state the number of shares owned by the dissenting
14 shareholder.

15 3. Any shareholder failing to make demand within the ten day period
16 shall be conclusively presumed to have consented to the merger or consolidation,
17 and shall be bound by the terms thereof.

370.358. 1. A credit union organized under the laws of another state may

2 apply to the director of the division of credit unions for a certificate of
3 organization as a credit union under the laws of this state and may be issued
4 such a certificate by complying with the provisions of this section.

5 2. The application shall state:

6 (1) The name of the credit union and the state or country under the laws
7 of which it is organized;

8 (2) The date of its organization and the period of its duration;

9 (3) The place where its business office will be located in this state;

10 (4) The names and address of its directors and officers;

11 (5) A statement of its capital and the amount of its surplus, if any; **and**

12 (6) Such additional information as may be necessary or appropriate in
13 order to enable the director of the division of credit unions to determine whether
14 the credit union should be issued a certificate of organization.

15 3. The application shall be executed [in triplicate] by the credit union by
16 its [president] **chair** or a vice [president] **chair** and verified by him **or her**.

17 4. There shall be delivered to the director of the division of credit unions
18 with the application a copy of its certificate of organization in the state in which
19 it is organized, and all amendments thereto and a copy of its bylaws and
20 amendments duly authenticated by the proper officer of the state or country
21 where it was organized. There shall also be submitted a statement similarly
22 authenticated that the credit union is in good standing in the state or country.

23 5. (1) When the application is filed in conformity with the foregoing
24 sections and the same fee paid to the director of the division of credit unions as
25 would be paid by applicants for organization of a credit union in Missouri, the
26 director of the division of credit unions, if he **or she** finds the application is in
27 conformity herewith, may issue a certificate of organization creating the credit
28 union as a Missouri corporation pending cancellation of its charter in the state
29 in which it is organized, but having a duration of ninety days. A copy of the
30 certificate shall be filed in the office of the secretary of state.

31 (2) When the director of the division of credit unions receives a certificate
32 duly authenticated by the proper officer of the state or country where it was
33 organized that the credit union's charter in that state has been cancelled, then
34 **[he] the director** shall issue a certificate of approval as provided for in
35 subsection 2 of section 370.040.

36 (3) Thereafter, the provisions of subsections 2, 3 and 4 of section 370.040
37 shall be followed in organizing the credit union as a Missouri corporation.

38 6. Any credit union organized under the laws of this state and in good
39 standing may transfer its charter to another state or country by complying with
40 the following requirements:

41 (1) The proposition for the transfer shall first be approved by the board
42 of directors of the credit union and a date set for a vote thereon by the
43 members. Written notice of the proposition to transfer and of the date of the
44 members' meeting to vote on the same shall be mailed **or delivered** to each
45 member at the member's address as it appears on the credit union records, not
46 more than thirty nor less than seven days prior to the date. Approval of the
47 proposition to transfer shall be by the affirmative vote of a majority of the
48 members voting in person or by a written **or electronic** ballot filed with the
49 credit union secretary on or before the date of the meeting. The board of directors
50 may prescribe the form of the ballot and the procedure for its use.

51 (2) An application for the transfer shall be filed with the director of the
52 division of credit unions with a statement of the results of the vote of the meeting
53 verified by the affidavits of the president or vice president and the secretary of
54 the credit union within ten days after the date of the meeting.

55 (3) The transfer of the credit union to another state or country shall be
56 subject to the approval of the director of the division of credit unions.

57 (4) After the application and approval, there shall be filed with the
58 director of the division of credit unions a written certificate duly authenticated
59 by the official of another state or country in charge of issuing credit union
60 charters stating that upon cancellation of the charter of the Missouri credit union
61 it will be organized as a credit union in the state or country with all of the rights
62 of its members unimpaired.

63 (5) When the foregoing provisions are complied with the director of the
64 division of credit unions may issue a certificate of cancellation of the credit union
65 charter, a copy of which shall be filed with the secretary of state.

370.359. 1. A credit union holding a certificate of organization under the
2 laws of this state may be converted into a federal credit union under the laws of
3 the United States by complying with the following requirements:

4 (1) The proposition for the conversion shall first be approved, and a date
5 set for a vote thereon by the members, either at a meeting to be held on the date
6 or by ballot to be cast on or before the date, by a majority of the directors of the
7 state credit union. Written notice of the proposition and of the date set for the
8 vote shall then be delivered in person to each member, or mailed or delivered to

9 each member at the address for the member appearing on the records of the
10 credit union, not more than thirty nor less than fourteen days prior to the
11 date. Approval of the proposition for conversion shall be by the affirmative vote
12 of a majority of the members who vote by written or electronic ballot. All
13 members should be provided the opportunity to vote, without being required to
14 attend the meeting where the proposition is voted on;

15 (2) A statement of the results of the vote, verified by the affidavits of the
16 **[president] chair** or vice **[president] chair** and the secretary, shall be filed with
17 the director of the division of credit unions and the secretary of state within ten
18 days after the vote is taken;

19 (3) Promptly after the vote is taken and in no event later than ninety days
20 thereafter, if the proposition for conversion was approved by the vote, the credit
21 union shall take such action as may be necessary under the United States law to
22 make it a federal credit union, and within ten days after receipt of the federal
23 credit union charter there shall be filed with the secretary of state and the
24 director of the division of credit unions, a copy of the charter thus issued. Upon
25 filing, the credit union shall cease to be a state credit union;

26 (4) Upon ceasing to be a state credit union, the credit union shall no
27 longer be subject to any of the provisions of this chapter. The successor federal
28 credit union shall be vested with all of the assets and shall continue responsible
29 for all the obligations of the state credit union to the same extent as though the
30 conversion had not taken place.

31 2. A federal credit union, organized under the laws of the United States,
32 may be converted into a state credit union by:

33 (1) Complying with all federal requirements requisite to enabling it to
34 convert to a state credit union;

35 (2) Filing with the director of the division of credit unions proof of the
36 compliance, satisfactory to him **or her**; and

37 (3) Filing with the director of the division of credit unions a certificate of
38 organization as required by this chapter.

39 3. When the director of the division of credit unions has been satisfied
40 that all of these requirements, and all other requirements of this chapter, have
41 been complied with, he **or she** shall approve the organization certificate, a copy
42 of which shall be filed with the secretary of state. Upon approval, the federal
43 credit union shall become a state credit union as of the date it ceases to be a
44 federal credit union. The state credit union shall be vested with all of the assets

45 and shall continue responsible for all of the obligations of the federal credit union
46 to the same extent as though the conversion had not taken place.

376.945. 1. The department shall, as a condition of the issuance of a
2 certificate of authority pursuant to section 376.935, require that the provider
3 establish a reserve of an amount equal to at least fifty percent of any entrance fee
4 paid by the first occupant of a living unit under a life care contract. The reserve
5 shall be maintained by the provider on a current basis, in escrow with a bank,
6 trust company, or other escrow agent approved by the department. **[Such] The**
7 **entire amount of such** reserve shall be amortized and earned by **and**
8 **available for release to** the provider at the rate of one percent per month on
9 the balance of the reserve, provided, however, that at no time shall the entrance
10 fee reserve together with all interest earned thereon total less than an amount
11 equal to one **[and one-half times the percentage] hundred percent** of the annual
12 long-term debt principal and interest payments of the provider applicable only to
13 living units occupied under life care contracts. Such portion of each entrance fee
14 as is necessary to maintain the entrance fee reserve as set forth herein shall be
15 paid to the reserve fund for the second and all subsequent occupancies of a living
16 unit occupied under a life care contract. **The requirements of this subsection**
17 **may be met in whole or in part by other reserve funds held for the**
18 **purpose of meeting loan obligations, provided that the total amount**
19 **equals or exceeds the amount required under this subsection.**

20 2. In addition, each provider shall establish and maintain separately for
21 each facility, a reserve equal to not less than five percent of the facility's total
22 outstanding balance of contractually obligated move-out refunds at the close of
23 each fiscal year. **[All reserves required hereunder for move-out refunds]**

24 3. **All reserve funds held under subsection 1 or 2 of this section**
25 shall be held in liquid assets consisting of federal government or other
26 marketable securities, deposits, or accounts insured by the federal government.

27 4. This section shall be applicable only to life care contracts executed for
28 occupancy of living units constructed after September 28, 1981.

385.015. All life insurance, accident and sickness insurance, involuntary
2 unemployment insurance, credit casualty insurance, and property insurance
3 written in connection with loans or other credit transactions shall be subject to
4 the provisions of sections 385.010 to 385.080, except insurance for which no
5 identifiable charge is made to the debtor and insurance written in connection
6 with a loan or other credit transaction of more than **[ten] fifteen** years duration;

7 nor shall insurance be subject to the provisions of sections 385.010 to 385.080 if
8 the issuance of the insurance is an isolated transaction on the part of the insurer
9 not related to an agreement or a plan for insuring debtors of the creditor or where
10 the issuance of such insurance is in connection with a residential real estate
11 secured credit transaction commitment exceeding twenty-five thousand dollars,
12 which may be accessed on a discretionary basis by the debtor.

408.512. 1. Any traditional installment loan lender licensed under
2 sections 367.100 to 367.200 or section 408.510 shall be permitted to make loans
3 and charge fees and interest as authorized under sections 408.100, 408.140, and
4 408.170.

5 2. No charter provision, ordinance, rule, order, permit, policy, guideline,
6 or other governmental action of any political subdivision of the state, local
7 government, city, county, or any agency, authority, board, commission,
8 department, or officer thereof shall:

9 (1) Prevent, restrict, or discourage traditional installment loan lenders
10 from lending under sections 408.100, 408.140, and 408.170;

11 (2) Prevent, restrict, or discourage traditional installment loan lenders
12 from operating in any location where any lender who makes loans payable in
13 equal installments over more than ninety days is permitted; or

14 (3) Create **any** disincentives for any traditional installment loan
15 lender from engaging in lending under sections 408.100, 408.140, and
16 408.170. **Any fee charged to any traditional installment loan lender that**
17 **is not charged to all lenders licensed or regulated by the division of**
18 **finance shall be a disincentive in violation of this section.**

19 The provisions of this subsection shall not apply where a charter provision or
20 valid ordinance as of August 28, 2014, expressly applies to traditional installment
21 loan lenders.

22 3. As used in this section, the following terms shall mean:

23 (1) "Fully amortized", the principal, defined as amount financed under the
24 federal Truth in Lending Act, and the scheduled interest, defined as finance
25 charge under the federal Truth in Lending Act, are repaid in substantially equal
26 multiple installments at fixed intervals to fulfill the consumer's obligation;

27 (2) "Traditional installment loan", fixed rate, fully amortized closed-end
28 extensions of direct consumer loans. However, if any of the following are true,
29 the transaction is not a traditional installment loan:

30 (a) The transaction has a repayment term of one hundred eighty-one days

31 or fewer and is secured by the title to the borrower's motor vehicle or auto;

32 (b) The transaction requires that the full amount of the credit extended
33 together with all fees and charges for the credit be repaid in ninety-one days or
34 fewer;

35 (c) The transaction's scheduled repayment plan contains one or more
36 interest-only payments or a payment that is more than ten percent greater than
37 the average of all other scheduled payment amounts;

38 (d) The transaction, at origination, requires the borrower:

39 a. To agree to a preauthorized automatic withdrawal in the form of a bank
40 draft, a preapproved automated clearing house or its equivalent;

41 b. To agree to an allotment or an agreement to defer presentment of one
42 or more contemporaneously-dated or postdated checks; or

43 c. To repay the loan in full at a borrower's next payday or other recurring
44 deposit cycle, where the repayment is connected with a bank account;

45 (3) "Traditional installment loan lender", a licensee under sections
46 367.100 to 367.200 or section 408.510 whose direct consumer loans are limited
47 only to traditional installment loans.

48 4. Nothing in this section shall apply to or preempt any ordinance
49 governing installment lenders, or any amendment to any such ordinance, in a
50 home rule city with more than four hundred thousand inhabitants and located in
51 more than one county.

52 **5. Traditional installment loan lenders may charge, in addition**
53 **to any other contractual fees, a convenience fee or surcharge for**
54 **payments made by a debit or credit card in an amount not to exceed**
55 **any third-party charge.**

56 **6. Any traditional installment loan lender who prevails against**
57 **a political subdivision in an action to enforce this section or in**
58 **defending an action using this section as a defense shall receive from**
59 **the political subdivision costs actually incurred including, but not**
60 **limited to, attorney's fees.**

409.605. As used in sections 409.600 to 409.630, the following terms shall
2 mean:

3 (1) "Agencies", the department of health and senior services and the
4 commissioner of securities;

5 (2) "Agent", shall have the same meaning as in section 409.1-102;

6 (3) "Broker-dealer", shall have the same meaning as in section 409.1-102;

7 (4) "Financial exploitation", the wrongful or unauthorized taking,
8 withholding, appropriation, or use of money, real property, or personal property
9 of a qualified adult;

10 (5) "Immediate family member", a spouse, child, parent, or sibling of a
11 qualified adult;

12 (6) **"Investment adviser", the same meaning as under section**
13 **409.1-102;**

14 (7) **"Investment adviser representative", shall have the same**
15 **meaning as under section 409.1-102;**

16 (8) "Qualified adult":

17 (a) A person sixty years of age or older; or

18 (b) A person who:

19 a. Has a disability as defined in section 192.2005; and

20 b. Is between the ages of eighteen and fifty-nine;

21 [(7)] (9) "Qualified individual"[,]:

22 (a) **A broker-dealer;**

23 (b) **An investment adviser; or**

24 (c) **A person associated with a broker-dealer or investment adviser who**
25 **serves in a supervisory, compliance, or legal capacity as part of his or her job.**

409.610. If a qualified individual reasonably believes that financial
2 exploitation of a qualified adult has occurred, has been attempted, or is being
3 attempted, the qualified individual may notify the agencies. Subsequent to
4 notifying the agencies, an agent, **investment adviser representative**, or
5 qualified individual may notify an immediate family member, legal guardian,
6 conservator, co-trustee, successor trustee, or agent under a power of attorney of
7 the qualified adult **or other individual reasonably associated with the**
8 **qualified adult** of such belief. **The agencies may provide information**
9 **regarding a qualified adult to the reporting qualified individual, agent,**
10 **or investment adviser representative upon request.**

409.615. 1. A qualified individual may refuse a request for disbursement
2 **or transaction** from the account of a qualified adult, or an account on which a
3 qualified adult is a beneficiary or beneficial owner, if:

4 (1) The qualified individual reasonably believes that the requested
5 disbursement **or transaction** will result in financial exploitation of the qualified
6 adult; and

7 (2) The [broker-dealer or] qualified individual[:

8 (a)], within two business days:

9 (a) Makes a reasonable effort to notify all parties authorized to transact
10 business on the account orally or in writing, unless such parties are reasonably
11 believed to have engaged in suspected or attempted financial exploitation of the
12 qualified adult; [and]

13 (b) [Within three business days] Notifies the agencies; **and**

14 (c) **Sends written notice to the qualified adult. Such notice shall**
15 **include the name and contact information for the qualified individual**
16 **who refused the disbursement or transaction and for the investor**
17 **protection hotline administered by the securities division of the**
18 **secretary of state.**

19 2. Any refusal of a disbursement **or transaction** as authorized by this
20 section shall expire upon the sooner of:

21 (1) The time when the [broker-dealer or] qualified individual reasonably
22 believes that the disbursement **or transaction** will not result in financial
23 exploitation of the qualified adult; or

24 (2) Ten business days after the initial refusal of disbursement **or**
25 **transaction** by the qualified individual.

26 3. **Notwithstanding subsection 2 of this section to the contrary,**
27 **following the refusal by a qualified individual of an initial request for**
28 **disbursement or transaction from the account of a qualified adult:**

29 (1) A court of competent jurisdiction may enter an order extending the
30 refusal of a disbursement **or transaction** or any other protective relief;

31 (2) **The commissioner of securities may enter an order extending**
32 **the refusal of a disbursement or transaction for the time necessary to**
33 **protect the qualified adult; or**

34 (3) **The director of the department of health and senior services,**
35 **after notifying the commissioner of securities, may enter an order to**
36 **extend the refusal of a disbursement or transaction for the time**
37 **necessary to protect the qualified adult.**

38 **Subsequent to the issuance of an order under subdivision (2) or (3) of**
39 **this subsection, the agency that issued the order shall conduct a review**
40 **of the circumstances every thirty days to determine if the order**
41 **extension should remain in effect.**

409.620. Notwithstanding any other provision of law to the contrary, [a
2 broker-dealer] **an investment adviser representative, agent, or qualified**

individual who, in good faith and exercising reasonable care, complies with section 409.610 or 409.615 shall be immune from any civil liability under those sections.

409.625. A [broker-dealer may] **qualified individual shall, upon request**, provide access to or copies of records that are relevant to the suspected financial exploitation of a qualified adult to the agencies or law enforcement. The records may include historical records or records relating to the most recent disbursement as well as disbursements that comprise the suspected financial exploitation of a qualified adult. All records made available to the agencies under this section shall not be considered a public record as defined under chapter 610.

409.630. No later than September 1, [2016] **2021**, the commissioner of securities shall develop and make available a website that includes training resources to assist broker-dealers [and], **investment advisers, agents, and investment adviser representatives** in the prevention and detection of financial exploitation of qualified adults. Such resources shall include, at a minimum, indicators of financial exploitation of qualified adults and potential steps broker-dealers [and], **investment advisers, agents, and investment adviser representatives** may take to prevent suspected financial exploitation of qualified adults as authorized by law.

409.3-302. (a) With respect to a federal covered security, as defined in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not otherwise exempt under sections 409.2-201 to 409.2-203, a rule adopted or order issued under this act may require the filing of any or all of the following records:

(1) Before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and a consent to service of process complying with section 409.6-611 signed by the issuer and the payment of a fee of one hundred dollars;

(2) After the initial offer of the federal covered security in this state, all records that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933; and

(3) To the extent necessary or appropriate to compute fees, a report of the value of the federal covered securities sold or offered to persons present in this state, if the sales data are not included in records filed with the Securities and

18 Exchange Commission and payment of a fee of one-twentieth of one percent of the
19 amount of securities sold in this state during that previous fiscal year. In no case
20 shall this fee exceed three thousand dollars.

21 (b) A notice filing under subsection (a) is effective for one year
22 commencing on the later of the notice filing or the effectiveness of the offering
23 filed with the Securities and Exchange Commission. On or before expiration, the
24 issuer may renew a notice filing by filing a copy of those records filed by the
25 issuer with the Securities and Exchange Commission that are required by rule
26 or order under this act to be filed and by paying a renewal fee of one hundred
27 dollars. A previously filed consent to service of process complying with section
28 409.6-611 may be incorporated by reference in a renewal. A renewed notice filing
29 becomes effective upon the expiration of the filing being renewed.

30 (c) With respect to a security that is a federal covered security under
31 Section 18(b)(4)(D) of the Securities Act of 1933(15 U.S.C. Section 77r(b)(4)(D)),
32 a rule under this act may require a notice filing by or on behalf of an issuer to
33 include a copy of Form D, including the Appendix, as promulgated by the
34 Securities and Exchange Commission, and a consent to service of process
35 complying with section 409.6-611 signed by the issuer not later than fifteen days
36 after the first sale of the federal covered security in this state and the payment
37 of a fee of one hundred dollars; and the payment of a fee of fifty dollars for any
38 late filing.

39 (d) Except with respect to a federal security under Section 18(b)(1) of the
40 Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the commissioner finds that
41 there is a failure to comply with a notice or fee requirement of this section, the
42 commissioner may issue a stop order suspending the offer and sale of a federal
43 covered security in this state. If the deficiency is corrected, the stop order is void
44 as of the time of its issuance and no penalty may be imposed by the
45 commissioner.

46 (e) With respect to a security that is a federal covered security
47 under Section 18(b)(3) or 18(b)(4) of the Securities Act of 1933 (15 U.S.C.
48 Section 77r(b)(3) or 77r(b)(4)), a rule under this act may require a
49 notice filing by or on behalf of an issuer to include:

50 (1) A copy of Form 1-A, Parts I through III, as well as all other
51 forms and appendices required and promulgated by the Securities and
52 Exchange Commission;

53 (2) A consent to service of process complying with section 409.6-

54 **611 signed by the issuer no later than the fifteenth day after the first**
55 **sale of the federal covered security in this state and the payment of a**
56 **fee of one hundred dollars; and**

57 **(3) The payment of a fee of fifty dollars for any late filing.**

409.4-412. (a) If the commissioner finds that the order is in the public
2 interest and subsection (d) authorizes the action, an order issued under this act
3 may deny an application, or may condition or limit registration: (1) of an
4 applicant to be a broker-dealer, agent, investment adviser, or investment adviser
5 representative, and (2) if the applicant is a broker-dealer or investment adviser,
6 of any partner, officer, director, person having a similar status or performing
7 similar functions, or person directly or indirectly controlling the broker-dealer or
8 investment adviser.

9 (b) If the commissioner finds that the order is in the public interest and
10 subsection (d) authorizes the action an order issued under this act may revoke,
11 suspend, condition, or limit the registration of a registrant and if the registrant
12 is a broker-dealer or investment adviser, any partner, officer, or director, any
13 person having a similar status or performing similar functions, or any person
14 directly or indirectly controlling the broker-dealer or investment
15 adviser. However, the commissioner:

16 (1) May not institute a revocation or suspension proceeding under this
17 subsection based on an order issued by another state that is reported to the
18 commissioner or designee later than one year after the date of the order on which
19 it is based; and

20 (2) Under subsection (d)(5)(A) and (B), may not issue an order on the basis
21 of an order under the state securities act of another state unless the other order
22 was based on conduct for which subsection (d) would authorize the action had the
23 conduct occurred in this state.

24 (c) If the commissioner finds that the order is in the public interest and
25 subsection (d)(1) to (6), (8), (9), (10), or (12) and (13) authorizes the action, an
26 order under this act may censure, impose a bar, or impose a civil penalty in an
27 amount not to exceed [a maximum of five] **twenty-five** thousand dollars for [a
28 single] **each** violation [or fifty thousand dollars for several violations] on a
29 registrant and, if the registrant is a broker-dealer or investment adviser, **on** any
30 partner, officer, or director, any person having similar functions, or any person
31 directly or indirectly controlling the broker-dealer or investment adviser.

32 (d) A person may be disciplined under subsections (a) to (c) if the person:

33 (1) Has filed an application for registration in this state under this act or
34 the predecessor act within the previous ten years, which, as of the effective date
35 of registration or as of any date after filing in the case of an order denying
36 effectiveness, was incomplete in any material respect or contained a statement
37 that, in light of the circumstances under which it was made, was false or
38 misleading with respect to a material fact;

39 (2) Willfully violated or willfully failed to comply with this act or the
40 predecessor act or a rule adopted or order issued under this act or the predecessor
41 act within the previous ten years;

42 (3) Has been convicted of a felony or within the previous ten years has
43 been convicted of a misdemeanor involving a security, a commodity future or
44 option contract, or an aspect of a business involving securities, commodities,
45 investments, franchises, insurance, banking, or finance;

46 (4) Is enjoined or restrained by a court of competent jurisdiction in an
47 action instituted by the commissioner under this act or the predecessor act, a
48 state, the Securities and Exchange Commission, or the United States from
49 engaging in or continuing an act, practice, or course of business involving an
50 aspect of a business involving securities, commodities, investments, franchises,
51 insurance, banking, or finance;

52 (5) Is the subject of an order, issued after notice and opportunity for
53 hearing by:

54 (A) The securities, depository institution, insurance, or other financial
55 services regulator of a state or by the Securities and Exchange Commission or
56 other federal agency denying, revoking, barring, or suspending registration as a
57 broker-dealer, agent, investment adviser, federal covered investment adviser, or
58 investment adviser representative;

59 (B) The securities regulator of a state or by the Securities and Exchange
60 Commission against a broker-dealer, agent, investment adviser, investment
61 adviser representative, or federal covered investment adviser;

62 (C) The Securities and Exchange Commission or by a self-regulatory
63 organization suspending or expelling the registrant from membership in the self-
64 regulatory organization;

65 (D) A court adjudicating a United States Postal Service fraud order;

66 (E) The insurance regulator of a state denying, suspending, or revoking
67 the registration of an insurance agent; or

68 (F) A depository institution regulator suspending or barring a person from

69 the depository institution business;

70 (6) Is the subject of an adjudication or determination, after notice and
71 opportunity for hearing, by the Securities and Exchange Commission, the
72 Commodity Futures Trading Commission; the Federal Trade Commission; a
73 federal depository institution regulator, or a depository institution, insurance, or
74 other financial services regulator of a state that the person willfully violated the
75 Securities Act of 1933, the Securities Exchange Act of 1934, the Investment
76 Advisers Act of 1940, the Investment Company Act of 1940, or the Commodity
77 Exchange Act, the securities or commodities law of a state, or a federal or state
78 law under which a business involving investments, franchises, insurance,
79 banking, or finance is regulated;

80 (7) Is insolvent, either because the person's liabilities exceed the person's
81 assets or because the person cannot meet the person's obligations as they mature,
82 but the commissioner may not enter an order against an applicant or registrant
83 under this paragraph without a finding of insolvency as to the applicant or
84 registrant;

85 (8) Refuses to allow or otherwise impedes the commissioner from
86 conducting an audit or inspection under section 409.4-411(d) or refuses access to
87 a registrant's office to conduct an audit or inspection under section 409.4-411(d);

88 (9) Has failed to reasonably supervise an agent, investment adviser
89 representative, or other individual, if the agent, investment adviser
90 representative, or other individual was subject to the person's supervision and
91 committed a violation of this act or the predecessor act or a rule adopted or order
92 issued under this act or the predecessor act within the previous ten years;

93 (10) Has not paid the proper filing fee within thirty days after having
94 been notified by the commissioner of a deficiency, but the commissioner shall
95 vacate an order under this paragraph when the deficiency is corrected;

96 (11) After notice and opportunity for a hearing, has been found within the
97 previous ten years:

98 (A) By a court of competent jurisdiction to have willfully violated the laws
99 of a foreign jurisdiction under which the business of securities, commodities,
100 investment, franchises, insurance, banking, or finance is regulated;

101 (B) To have been the subject of an order of a securities regulator of a
102 foreign jurisdiction denying, revoking, or suspending the right to engage in the
103 business of securities as a broker-dealer, agent, investment adviser, investment
104 adviser representative, or similar person; or

105 (C) To have been suspended or expelled from membership by or
106 participation in a securities exchange or securities association operating under
107 the securities laws of a foreign jurisdiction;

108 (12) Is the subject of a cease and desist order issued by the Securities and
109 Exchange Commission or issued under the securities, commodities, investment,
110 franchise, banking, finance, or insurance laws of a state;

111 (13) Has engaged in dishonest or unethical practices in the securities,
112 commodities, investment, franchise, banking, finance, or insurance business
113 within the previous ten years; or

114 (14) Is not qualified on the basis of factors such as training, experience,
115 and knowledge of the securities business. However, in the case of an application
116 by an agent for a broker-dealer that is a member of a self-regulatory organization
117 or by an individual for registration as an investment adviser representative, a
118 denial order may not be based on this paragraph if the individual has successfully
119 completed all examinations required by subsection (e). The commissioner may
120 require an applicant for registration under section 409.4-402 or 409.4-404 who
121 has not been registered in a state within the two years preceding the filing of an
122 application in this state to successfully complete an examination.

123 (e) A rule adopted or order issued under this act may require that an
124 examination, including an examination developed or approved by an organization
125 of securities regulators, be successfully completed by a class of individuals or all
126 individuals. An order issued under this act may waive, in whole or in part, an
127 examination as to an individual and a rule adopted under this act may waive, in
128 whole or in part, an examination as to a class of individuals if the commissioner
129 determines that the examination is not necessary or appropriate in the public
130 interest and for the protection of investors.

131 (f) The commissioner may suspend or deny an application summarily;
132 restrict, condition, limit, or suspend a registration; or censure, bar, or impose a
133 civil penalty on a registrant before final determination of an administrative
134 proceeding. Upon the issuance of an order, the commissioner shall promptly
135 notify each person subject to the order that the order has been issued, the reasons
136 for the action, and that within fifteen days after the receipt of a request in a
137 record from the person the matter will be scheduled for a hearing. If a hearing
138 is not requested and none is ordered by the commissioner within thirty days after
139 the date of service of the order, the order becomes final by operation of law. If a
140 hearing is requested or ordered, the commissioner, after notice of and opportunity

141 for hearing to each person subject to the order, may modify or vacate the order
142 or extend the order until final determination.

143 (g) An order issued may not be issued under this section, except under
144 subsection (f), without:

145 (1) Appropriate notice to the applicant or registrant;

146 (2) Opportunity for hearing; and

147 (3) Findings of fact and conclusions of law in a record.

148 (h) A person that controls, directly or indirectly, a person not in
149 compliance with this section may be disciplined by order of the commissioner
150 under subsections (a) to (c) to the same extent as the noncomplying person, unless
151 the controlling person did not know, and in the exercise of reasonable care could
152 not have known, of the existence of conduct that is a ground for discipline under
153 this section.

154 (i) The commissioner may not institute a proceeding under subsection (a),
155 (b), or (c) based solely on material facts actually known by the commissioner
156 unless an investigation or the proceeding is instituted within one year after the
157 commissioner actually acquires knowledge of the material facts.

158 (j) Any applicant denied an agent, broker-dealer, investment adviser or
159 investment adviser representative registration by order of the commissioner
160 pursuant to subsection (a) may file a petition with the administrative hearing
161 commission alleging that the commissioner has denied the registration. The
162 administrative hearing commission shall conduct hearings and make findings of
163 fact and conclusions of law. The commissioner shall have the burden of proving
164 a ground for denial pursuant to this act.

165 (k) If a proceeding is instituted to revoke or suspend a registration of any
166 agent, broker-dealer, investment adviser, or investment adviser representative
167 pursuant to subsection (b), the commissioner shall refer the matter to the
168 administrative hearing commission. The administrative hearing commission shall
169 conduct hearings and make findings of fact and conclusions of law in such
170 cases. The commissioner shall have the burden of proving a ground for
171 suspension or revocation pursuant to this act. The administrative hearing
172 commission shall submit its findings of fact and conclusions of law to the
173 commissioner for final disposition.

174 (l) Hearing procedures before the commissioner or the administrative
175 hearing commission and judicial review of the decisions and orders of the
176 commissioner and of the administrative hearing commission, and all other

177 procedural matters pursuant to this act shall be governed by the provisions of
178 chapter 536. Hearings before the administrative hearing commission shall also
179 be governed by the provisions of chapter 621.

409.6-604. (a) If the commissioner determines that a person has engaged,
2 is engaging, or is about to engage in an act, practice, or course of business
3 constituting a violation of this act or a rule adopted or order issued under this act
4 or that a person has materially aided, is materially aiding, or is about to
5 materially aid an act, practice, or course of business constituting a violation of
6 this act or a rule adopted or order issued under this act, the commissioner may:

7 (1) Issue an order directing the person to cease and desist from engaging
8 in the act, practice, or course of business or to take other action necessary or
9 appropriate to comply with this act;

10 (2) Issue an order denying, suspending, revoking, or conditioning the
11 exemptions for a broker-dealer under section 409.4-401(b)(1)(D) or (F) or an
12 investment adviser under section 409.4-403(b)(1)(C); or

13 (3) Issue an order under section 409.2-204.

14 (b) An order under subsection (a) is effective on the date of issuance. Upon
15 issuance of the order, the commissioner shall promptly serve each person subject
16 to the order with a copy of the order and a notice that the order has been
17 entered. The order must include a statement whether the commissioner will seek
18 a civil penalty or costs of the investigation, a statement of the reasons for the
19 order, and notice that, within fifteen days after receipt of a request in a record
20 from the person, the matter will be scheduled for a hearing. If a person subject
21 to the order does not request a hearing and none is ordered by the commissioner
22 within thirty days after the date of service of the order, the order becomes final
23 as to that person by operation of law. If a hearing is requested or ordered, the
24 commissioner, after notice of and opportunity for hearing to each person subject
25 to the order, may modify or vacate the order or extend it until final
26 determination.

27 (c) If a hearing is requested or ordered pursuant to subsection (b), a
28 hearing before the commissioner must be provided. A final order may not be
29 issued unless the commissioner makes findings of fact and conclusions of law in
30 a record in accordance with the provisions of chapter 536 and procedural rules
31 promulgated by the commissioner. The final order may make final, vacate, or
32 modify the order issued under subsection (a).

33 (d) In a final order under subsection (c), the commissioner may:

34 (1) Impose a civil penalty up to [one] **twenty-five** thousand dollars for
35 [a single] **each** violation [or up to ten thousand dollars for more than one
36 violation];

37 (2) Order a person subject to the order to pay restitution for any loss,
38 including the amount of any actual damages that may have been caused by the
39 conduct and interest at the rate of eight percent per year from the date of the
40 violation causing the loss or disgorge any profits arising from the violation;

41 (3) In addition to any civil penalty otherwise provided by law, impose an
42 additional civil penalty not to exceed [five] **fifteen** thousand dollars for each such
43 violation if the commissioner finds that a person subject to the order has violated
44 any provision of this act and that such violation was committed against an elderly
45 or disabled person. For purposes of this section, the following terms mean:

46 (A) "Disabled person", a person with a physical or mental impairment that
47 substantially limits one or more of the major life activities of such individual, a
48 record of such impairment, or being regarded as having such an impairment;

49 (B) "Elderly person", a person sixty years of age or older.

50 (e) In a final order, the commissioner may charge the actual cost of an
51 investigation or proceeding for a violation of this act or a rule adopted or order
52 issued under this act. These funds may be paid into the investor education and
53 protection fund.

54 (f) If a petition for judicial review of a final order is not filed in accordance
55 with section 409.6-609, the commissioner may file a certified copy of the final
56 order with the clerk of a court of competent jurisdiction. The order so filed has
57 the same effect as a judgment of the court and may be recorded, enforced, or
58 satisfied in the same manner as a judgment of the court.

59 (g) If a person does not comply with an order under this section, the
60 commissioner may petition a court of competent jurisdiction to enforce the
61 order. The court may not require the commissioner to post a bond in an action
62 or proceeding under this section. If the court finds, after service and opportunity
63 for hearing, that the person was not in compliance with the order, the court may
64 adjudge the person in civil contempt of the order. The court may impose a
65 further civil penalty against the person for contempt in an amount not less than
66 five thousand dollars but not greater than one hundred thousand dollars for each
67 violation and may grant any other relief the court determines is just and proper
68 in the circumstances.

69 (h) The commissioner is authorized to issue administrative consent orders

70 in the settlement of any proceeding in the public interest under this act.

443.717. 1. Mortgage loan originators shall satisfy a prelicensing
2 education requirement through approved education courses of at least twenty
3 hours approved in accordance with subsection 2 of this section, which shall
4 include at least:

5 (1) Three hours of federal law and regulations;

6 (2) Three hours of ethics, which shall include instruction on fraud,
7 consumer protection, and fair lending issues; and

8 (3) Two hours of training related to lending standards for the
9 nontraditional mortgage product marketplace.

10 2. For purposes of subsection 1 of this section, prelicensing approved
11 education courses include courses reviewed and approved by the NMLSR based
12 upon reasonable standards. Review and approval of a prelicensing education
13 course shall include review and approval of the course provider.

14 3. Nothing in this section shall preclude any prelicensing education
15 course, as approved by the NMLSR, that is provided by the employer of the
16 applicant or person who is affiliated with the applicant by an agency contract, or
17 any subsidiary or affiliate of such employer or person.

18 4. Prelicensing education may be offered in a classroom, online, or by any
19 other means approved by the NMLSR.

20 5. The prelicensing education requirements approved by the NMLSR in
21 subdivisions (1) to (3) of subsection 1 of this section for any state shall be
22 accepted as credit towards completion of prelicensing education requirements in
23 Missouri.

24 6. A person previously licensed under sections 443.701 to 443.893
25 applying to be licensed again shall prove that they have completed all of the
26 continuing education requirements, if any, for the year in which the license was
27 last held.

28 **7. A prelicensing education course completed by an individual**
29 **shall not satisfy the prelicensing education requirement if the course**
30 **precedes an application by a certain period as established by the**
31 **NMLSR.**

443.825. 1. Application for a residential mortgage loan broker license
2 shall be made as provided in sections 443.833 and 443.835. The application shall
3 be in writing, made under oath, and on a form provided by the director.

4 2. The director may, by rule, revise and conform the residential mortgage

5 loan broker license application and renewal process, and the licensing dates and
6 periods under sections 443.701 to 443.893 to a system of licensing residential
7 mortgage loan brokers administered in cooperation with the NMLSR.

8 3. The application shall contain the name and complete business and
9 residential address or addresses of the applicant. If the applicant is a form of
10 business organization, the application shall contain the names and complete
11 business and residential addresses of each member, director and principal officer
12 of such person. Such application shall also include a description of the activities
13 of the applicant, in such detail and for such periods as the director may require,
14 including all of the following:

15 (1) An affirmation of financial solvency noting such capitalization
16 requirements as may be required by the director, and access to such credit as may
17 be required by the director;

18 (2) An affirmation that the applicant or the applicant's members, directors
19 or principals, as may be appropriate, are at least eighteen years of age;

20 (3) Information that would support findings under subdivision (4) of
21 section 443.821 as to the character, fitness, financial and business responsibility,
22 background, experience and criminal records of any:

23 (a) Person or ultimate equitable owner that owns or controls, directly or
24 indirectly, ten percent or more of any class of stock of the applicant;

25 (b) Person or ultimate equitable owner that is not a depository institution
26 that lends, provides or infuses, directly or indirectly, in any way, funds to or into
27 an applicant, in an amount equal to, or more than, ten percent of the applicant's
28 net worth;

29 (c) Person or ultimate equitable owner that controls, directly or indirectly,
30 the election of twenty-five percent or more of the members of the board of
31 directors of the applicant; and

32 (d) Person or ultimate equitable owner that the director finds influences
33 management of the applicant.

34 **4. All persons listed under subdivision (3) of subsection 3 of this**
35 **section shall furnish fingerprints to the NMLSR for submission to the**
36 **Federal Bureau of Investigation and any governmental agency or**
37 **person authorized to receive such information for a state, national, and**
38 **international criminal history background check.**

39 **5. For the purposes of this chapter and in order to reduce the**
40 **points of contact that the Federal Bureau of Investigation may have to**

41 **maintain, the director may use the NMLSR as an agent for requesting**
42 **information from and distributing information to the Department of**
43 **Justice or any other governmental agency.**

443.855. The director may prescribe rules governing the advertising of
2 mortgage loans, including, without limitation, [the following requirements:

3 (1) **rules that** advertising pursuant to sections 443.701 to 443.893 may
4 not be false, misleading or deceptive. No person whose activities are regulated
5 pursuant to the provisions of sections 443.701 to 443.893 may advertise in any
6 manner so as to indicate or imply that the person's interest rates or charges for
7 loans are in any way recommended, approved, set or established by the state or
8 federal government or by the provisions of sections 443.701 to 443.893[;

9 (2) All advertisements by a licensee shall contain the name and an office
10 address of such person, which shall conform to a name and address on record
11 with the director].

443.857. Each residential mortgage loan broker shall maintain, in the
2 state of Missouri, at least one full-service office with staff reasonably adequate
3 to efficiently handle all matters relating to any proposed or existing home
4 mortgage with respect to which such residential mortgage loan broker is
5 performing services; except that, this provision may be waived by the director for
6 persons providing mortgage loan servicing [under section 443.812] **or**
7 **exclusively engaged in the business of loan processing or underwriting**
8 **as defined in this chapter.**

476.419. 1. **Notwithstanding any provision of law to the contrary,**
2 **a court shall not divide securities among multiple recipients in such a**
3 **way that negotiable securities become nonnegotiable securities.**

4 2. **A court may divide securities into increments equal to a**
5 **multiple of an allowable tradeable amount. For purposes of this**
6 **section, an "allowable tradeable amount" is the minimum amount or**
7 **denomination accepted by the industry, as defined in the official**
8 **statement or offering document of the original security. If the**
9 **provisions of this section prevent the distribution of property in the**
10 **proportion that other law requires, a court may:**

11 (1) **Distribute different values of securities to different recipients**
12 **and distribute other property in a way so that the total value of**
13 **property each recipient receives is as close to the proper proportion as**
14 **practicable;**

15 **(2) Liquidate the securities and distribute the resulting moneys**
16 **among recipients; or**

17 **(3) Take other action within its power, including a combination**
18 **of subdivisions (1) and (2) of this subsection.**

 [370.270. A credit union may charge an entrance fee, as
2 may be provided in the bylaws which shall, however, not exceed
3 one dollar. Fully paid-up shares may be transferred to any person
4 upon election to membership, upon such terms as the bylaws may
5 provide and upon the payment of a transfer fee which shall not
6 exceed one dollar.]

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