

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2461
100TH GENERAL ASSEMBLY

5383H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 30.260, 30.753, 30.758, 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, 385.015, 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 forty-seven 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, 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, 385.015, 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409.615, 409.620, 409.625, 409.630, 409.3-302, 409.4-412, 409.6-604, 443.717, 443.825, 443.855, and 443.857, RSMo, are repealed and forty-seven new sections enacted in lieu thereof, to be known as sections 30.260, 30.753, 30.758, 362.1015, 362.1030, 362.1037, 362.1040, 362.1070,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, 385.015, 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, 443.857, and 476.419, to read as follows:

30.260. 1. The state treasurer shall prepare, maintain and adhere to a written investment policy which shall include an asset allocation plan which limits the total amount of state moneys which may be invested in any particular investment authorized by Section 15, Article IV of the Missouri Constitution. Such asset allocation plan shall also set diversification limits, as

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

5 applicable, which shall include a restriction limiting the total amount of time deposits of state
6 moneys, not including linked deposits, placed with any one single banking institution to be no
7 greater than ~~ten~~ **fifteen** percent of all time deposits of state moneys **authorized under the asset**
8 **allocation plan**. The state treasurer shall present a copy of such policy to the governor,
9 commissioner of administration, state auditor and general assembly at the commencement of
10 each regular session of the general assembly or at any time the written investment policy is
11 amended.

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

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

26 (1) The preservation of such state moneys;

27 (2) The benefits to the economy and welfare of the people of Missouri when such state
28 money is invested in banking institutions in this state that, in turn, provide additional loans and
29 investments in the Missouri economy and generate state taxes from such initial investments and
30 the loans and investments created by the banking institutions, compared to the removal or
31 withholding from banking institutions in the state of all or some such state moneys and investing
32 same in obligations authorized in Section 15, Article IV of the Missouri Constitution;

33 (3) The liquidity needs of the state;

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

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

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

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

56 (2) Beginning January 1, 2011, the rate of interest payable by a banking institution on
57 up to five million dollars of time deposits of state moneys shall be the same as the average rate
58 paid during the week next preceding the week in which the deposit was made for United States
59 of America treasury securities maturing and becoming payable closest to the time of termination
60 of the deposit, as determined by the state treasurer, adjusted to the nearest one-tenth of a percent.
61 In the case of a banking institution that holds more than five million dollars of time deposits of
62 state moneys, the rate of interest payable on deposits in excess of five million dollars of time
63 deposits of state moneys shall be set at the market rate as determined in subsection 6 of this
64 section;

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

74 (4) Beginning January 1, 2013, the rate of interest payable by a banking institution on
75 up to one million dollars of time deposits of state moneys shall be the same as the average rate

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

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

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

90 6. Market rate shall be determined no less frequently than once a month by the director
91 of investments in the office of state treasurer. The process for determining a market rate shall
92 include due consideration of prevailing rates offered for certificates of deposit by well-
93 capitalized Missouri financial institutions, the advance rate established by the Federal Home
94 Loan Bank of Des Moines for member institutions and the costs of collateralization, as well as
95 an evaluation of the credit risk associated with other authorized securities under Section 15,
96 Article IV, of the Missouri Constitution, **or any other calculation determined by the state**
97 **treasurer based on current market investment indicators.** Banking institutions may also
98 offer a higher rate than the market rate for any time deposit placed with the state treasurer in
99 excess of the total amount of state moneys set at the United States of America treasury securities
100 maturing and becoming payable closest to the time of termination of the deposit indicated in
101 subdivisions (1) to (5) of subsection 4 of this section.

102 7. Within the parameters of the state treasurer's written investment policy, the state
103 treasurer may subscribe for or purchase outright or by repurchase agreement investments of the
104 character described in subsection 3 of this section which the treasurer, in the exercise of the
105 treasurer's best judgment, believes to be the best for investment of state moneys at the time and
106 in payment therefor may withdraw moneys from any bank account, demand or time, maintained
107 by the treasurer without having any supporting warrant of the commissioner of administration.
108 The state treasurer may bid on subscriptions for such obligations in accordance with the
109 treasurer's best judgment. The state treasurer shall provide for the safekeeping of all such
110 obligations so acquired in the same manner that securities pledged to secure the repayment of
111 state moneys deposited in banking institutions are kept by the treasurer pursuant to law. The

112 state treasurer may hold any such obligation so acquired by the treasurer until its maturity or
113 prior thereto may sell the same outright or by reverse repurchase agreement provided the state's
114 security interest in the underlying security is perfected or temporarily exchange such obligation
115 for cash or other authorized securities of at least equal market value with no maturity more than
116 one year beyond the maturity of any of the traded obligations, for a negotiated fee as the
117 treasurer, in the exercise of the treasurer's best judgment, deems necessary or advisable for the
118 best interest of the people of the state of Missouri in the light of the circumstances at the time
119 prevailing. The state treasurer may pay all costs and expenses reasonably incurred by the
120 treasurer in connection with the subscription, purchase, sale, collection, safekeeping or delivery
121 of all such obligations at any time acquired by the treasurer.

122 8. As used in this chapter, except as more particularly specified in section 30.270,
123 obligations of the United States shall include securities of the United States Treasury, and United
124 States agencies or instrumentalities as described in Section 15, Article IV, Constitution of
125 Missouri. The word "temporarily" as used in this section shall mean no more than six months.

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

19 2. The minimum deposit to be made by the state treasurer to an eligible lending
20 institution for eligible job enhancement business loans shall be ninety thousand dollars. Linked
21 deposit loans for eligible job enhancement businesses may be made for the purposes of assisting
22 with relocation expenses, working capital, interim construction, inventory, site development,

23 machinery and equipment, or other expenses necessary to create or retain jobs in the recipient
24 firm.

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

3 2. The state treasurer shall make a good faith effort to ensure that the linked deposits are
4 placed with eligible lending institutions to make linked deposit loans to minority- or female-
5 owned eligible multitenant enterprises, eligible farming operations, eligible alternative energy
6 operations, eligible alternative energy consumers, eligible locally owned businesses, eligible
7 small businesses, eligible job enhancement businesses, eligible marketing enterprises, eligible
8 residential property developers, eligible residential property owners, eligible governmental
9 entities, eligible agribusinesses, eligible beginning farmers, eligible livestock operations, eligible
10 student borrowers, eligible facility borrowers, or eligible water supply systems. Results of such
11 effort shall be included in the linked deposit review committee's annual report to the governor.

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

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

32 5. The period of time for which such linked deposit is placed with an eligible lending
33 institution shall be neither longer nor shorter than the period of time for which the linked deposit
34 is used to provide loans at reduced interest rates. The agreement shall further provide that the

35 state shall receive market interest rates on any linked deposit or any portion thereof for any
36 period of time for which there is no corresponding linked deposit loan outstanding to an eligible
37 multitenant enterprise, eligible farming operation, eligible alternative energy operation, eligible
38 alternative energy consumer, eligible locally owned business, eligible small business, eligible
39 job enhancement business, eligible marketing enterprise, eligible residential property developer,
40 eligible residential property owner, eligible governmental entity, eligible agribusiness, eligible
41 beginning farmer, eligible livestock operation, eligible student borrower, eligible facility
42 borrower, or eligible water supply system, except as otherwise provided in this subsection.
43 Within thirty days after the annual anniversary date of the linked deposit, the eligible lending
44 institution shall repay the state treasurer any linked deposit principal received from borrowers
45 in the previous yearly period and thereafter repay such principal within thirty days of the yearly
46 anniversary date calculated separately for each linked deposit loan, and repaid at the linked
47 deposit rate. Such principal payment shall be accelerated when more than thirty percent of the
48 linked deposit loan is repaid within a single monthly period. Any principal received and not
49 repaid, up to the point of the thirty percent or more payment, shall be repaid within thirty days
50 of that payment at the linked deposit rate. Finally, when the linked deposit is tied to a revolving
51 line of credit agreement between the banking institution and its borrower, the full amount of the
52 line of credit shall be excluded from the repayment provisions of this subsection.

53 **6. The state treasurer shall give priority to maintaining linked deposit agreement**
54 **renewals over funding new linked deposit applications.**

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

- 2 (1) "Authorized representative", if a family trust company is organized as a corporation,
3 then an officer or director of the family trust company or, if a family trust company is organized
4 as a limited liability company, then a manager, officer, or member of the family trust company;
- 5 (2) "Collateral kinship", a relationship that is not lineal but stems from a common
6 ancestor;
- 7 (3) "Controlling stockholder or member", an individual who owns or has the ability or
8 power to directly or indirectly vote ten percent or more of the outstanding shares, membership
9 interest, or membership units of the family trust company;
- 10 (4) "Designated relative", a common ancestor of a family, either living or deceased, who
11 is so designated in ~~[an organizational instrument. No family trust company shall have more than~~
12 ~~one designated relative]~~ **a family trust company's initial registration application and any**
13 **annual registration report;**
- 14 (5) "Engage in trust company business with the general public", any sales, solicitations,
15 arrangements, agreements, or transactions to provide trust or other business services, whether
16 for a fee, commission, or any other type of remuneration, with any person who is not a family

17 member or any sole proprietorship, partnership, limited liability company, joint venture,
18 association, corporation, trust, estate, business trust, or other company that is not one hundred
19 percent owned by one or more family members;

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

22 (a) One or more family members; or

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

25 (7) "Family member":

26 (a) A designated relative;

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

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

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

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

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

35 (g) A family affiliate;

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

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

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

43

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

51 (8) "Family trust company", a corporation or limited liability company organized or
52 qualified to do business in this state that is wholly owned and exclusively controlled by, directly

53 or indirectly, one or more family members, excluding any former spouse of a family member;
54 that operates for the exclusive benefit of a family member regardless of whether compensation
55 is received or anticipated; and that does not engage in trust company business with the general
56 public or otherwise hold itself out as a trustee for hire by advertisement, solicitation, or other
57 means. The term "family trust company" shall include foreign family trust companies unless
58 context indicates otherwise;

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

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

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

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

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

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

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

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

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

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

77 (12) "Officer", an individual, regardless of whether the individual has an official title or
78 receives a salary or other compensation, who may participate in the major policy-making
79 functions of a family trust company other than as a director. The term shall not include an
80 individual who may have an official title and exercises discretion in the performance of duties
81 and functions but who does not participate in determining the major policies of the family trust
82 company and whose decisions are limited by policy standards established by other officers,
83 regardless of whether the policy standards have been adopted by the board of directors. The
84 chair of the board of directors, the president, the chief executive officer, the chief financial
85 officer, the senior trust officer, all executive vice presidents of a family trust company, and all
86 managers if organized as a limited liability company are presumed to be officers unless such
87 officer is excluded, other than in the capacity of a director, by resolution of the board of directors
88 or members or by the bylaws or operating agreement of the family trust company from

89 participating in major policy-making functions of the family trust company, and such excluded
90 officer does not actually participate therein;

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

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

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

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

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

103 (18) "Reports of examinations, operations, or conditions", records submitted to the
104 secretary or prepared by the secretary as part of the secretary's duties performed under sections
105 362.1010 to 362.1117;

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

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

109 (21) "Working papers", the records of the procedures followed, tests performed,
110 information obtained, and conclusions reached in an investigation under sections 362.1010 to
111 362.1117. The term shall also include books and records.

362.1030. 1. There is hereby established in the state treasury the "Family Trust
2 Company Fund", which shall consist of all fees collected by the secretary from family trust
3 companies registering as provided in this section. The state treasurer shall be custodian of the
4 fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve
5 disbursements. The fund shall be a dedicated fund, and moneys in the fund shall be used solely
6 to support the secretary's role and fulfillment of duties under sections 362.1010 to 362.1117.
7 Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the
8 fund at the end of the biennium **that exceed twenty thousand dollars** shall revert to the credit
9 of the general revenue fund. The state treasurer shall invest moneys in the fund in the same
10 manner as other funds are invested. Any interest and moneys earned on such investments shall
11 be credited to the fund.

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

- 14 **(1) Files its organizational instrument with the secretary;**
15 **(2) Pays a one-time original filing fee of five thousand dollars to the secretary; and**
16 **(3) Registers by filing with the secretary an initial registration application in a format**
17 **prescribed by the secretary.**
- 18 **3. A foreign family trust company shall not conduct business in this state unless**
19 **such foreign family trust company:**
- 20 **(1) Pays a one-time original filing fee of five thousand dollars to the secretary;**
21 **(2) Registers by filing with the secretary an initial registration application in a**
22 **format prescribed by the secretary; and**
23 **(3) If such foreign family trust company is a corporation, files an application for**
24 **a certificate of authority or, if such foreign family trust company is a limited liability**
25 **company, files an application for registration.**
- 26 **4. The secretary shall deposit all family trust company filing fees into the family trust**
27 **company fund established under subsection 1 of this section.**
- 28 ~~[3. To register, a family trust company that is not a foreign family trust company shall~~
29 ~~file its organizational instrument with the secretary. At a minimum, the organizational~~
30 ~~instrument shall state:~~
- 31 ~~—— (1) The name of the designated relative;~~
32 ~~—— (2) That the family trust company is a family trust company as defined under sections~~
33 ~~362.1010 to 362.1117; and~~
34 ~~—— (3) That its operations will comply with sections 362.1010 to 362.1117.~~
35 ~~—— 4. A foreign family trust company shall register by filing with the secretary:~~
36 ~~—— (1) An initial registration to begin operations as a foreign family trust company; and~~
37 ~~—— (2) An application for a certificate of authority in accordance with and subject to chapters~~
38 ~~347 or 351.]~~
- 39 **5. A foreign family trust company application shall be submitted on a form prescribed**
40 **by the secretary and be signed, under penalty of perjury, by an authorized representative. At a**
41 **minimum, the application shall include:**
- 42 **(1) A statement attesting that the foreign family trust company:**
43 **(a) Will comply with the provisions of sections 362.1010 to 362.1117; and**
44 **(b) Is in compliance with the family trust company laws and regulations of the**
45 **jurisdiction of its incorporation or organization;**
46 **(2) The current telephone number and street address of:**
47 **(a) The foreign family trust company's principal place of business in the jurisdiction of**
48 **its incorporation or organization;**
49 **(b) The foreign family trust company's principal place of operations; and**

- 50 (c) Any other offices located within this state;
- 51 (3) The name and current street address in this state of its registered agent;
- 52 (4) A certified copy of a certificate of good standing, or an equivalent document,
- 53 authenticated by the official having custody of records in the jurisdiction where the foreign
- 54 family trust company is incorporated or organized;
- 55 (5) Satisfactory proof, as determined by the secretary, that the foreign family trust
- 56 company is organized in a manner similar to a Missouri family trust company and is in
- 57 compliance with the family trust company laws and regulations of the jurisdiction in which the
- 58 foreign family trust company was incorporated or organized; and
- 59 (6) Any other information reasonably and customarily required by the secretary of
- 60 foreign corporations or foreign limited liability companies seeking to qualify to conduct business
- 61 in this state.

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

- 2 (1) If a corporation, a board of directors that consists of at least three directors; or
- 3 (2) If a limited liability company, a board of directors or managers that consists of **at**
- 4 **least** three directors or managers.

5

6 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 instrument in

2 writing for the purpose of forming a family trust company, subject to the conditions prescribed

3 by law.

4 2. The organizational instrument of a family trust company shall set forth all of the

5 information required under ~~[chapters]~~ **chapter** 347 or 351, as applicable, and the following:

6 (1) The name of the company, which shall distinguish the company from any other

7 nonfamily trust company or family trust company formed or engaging in business in this state.

8 If the word "trust" is included in the name, it shall be immediately preceded by the word "family"

9 so as to distinguish the entity from a nonfamily trust company operating under this chapter. This

10 subdivision shall not apply to a foreign family trust company using a fictitious name that is

11 registered and maintained in this state pursuant to the requirements administered by the secretary

12 and that distinguishes the foreign family trust company from a nonfamily trust company

13 authorized to operate under this chapter;

14 (2) **A statement that** the purpose for which the company is formed~~[, which shall clearly~~

15 ~~identify the restricted activities permissible to a family trust company]~~ **is to engage in any and**

16 **all activities permitted** under sections 362.1010 to 362.1117; and

17 (3) A statement affirming that the family trust company shall not engage in trust

18 company business with the general public.

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

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

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

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

10 2. A family trust company may purchase or rent real or personal property for use in
11 conducting business and other activities of the company.

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

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

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

19 (a) The family trust company;

20 (b) A family affiliate; or

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

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

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

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

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

32 (3) The family trust company discloses its intent to exercise the authority granted under
33 subsection 4 of this section in writing to all [of the trust company's account statement recipients]

34 **family members for whom the investment is to be made, which shall occur** before the first
35 exercise of such authority, and each such disclosure states:

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

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

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

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

46 (1) Is negotiated at a fair price;

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

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

51 (b) The purposes of the trust; and

52 (3) Otherwise complies with:

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

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

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

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

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

62 ~~———(b)]~~ A court order;

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

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

67 ~~———(d) The written consent of every adult qualified beneficiary of such trust who, at the time~~
68 ~~of such purchase, is entitled to receive income under the trust or who would be entitled to receive~~

69 ~~a distribution of principal if the trust were terminated]~~ **or of every adult qualified beneficiary**
70 **of the trust created under that instrument for which such purchase is made; and**

71 (2) The purchase of the security is at a fair price and complies with the Missouri prudent
72 investor act, sections 469.900 to 469.913, unless compliance is waived in a manner as provided
73 by law, and with the terms of the instrument, judgment, decree, or order establishing the
74 fiduciary relationship.

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

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

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

82 (3) Enter into an agreement with a family member who is the settlor or a qualified
83 beneficiary of a trust with respect to the appointment of the family trust company as a fiduciary
84 of the trust or with respect to the compensation of the family trust company for service as a
85 fiduciary;

86 (4) Transact business with a family member;

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

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

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

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

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

370.010. Any seven persons, residents of the state of Missouri, may apply to the director
2 of the division of credit unions, for permission to organize a credit union by signing and
3 acknowledging ~~in triplicate~~ a certificate of organization and entering into articles of agreement,
4 in which they shall bind themselves to comply with its requirements and with all the laws, rules
5 and regulations 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 in which its
3 business office is located;
- 4 (2) The names and addresses of the subscribers to the certificate, and the number of
5 shares subscribed by each;
- 6 (3) A statement that organization as a credit union is desired under this particular law;
- 7 (4) The par value of the ~~[general]~~ **regular** shares, which shall not exceed one hundred
8 dollars;
- 9 (5) The par value of membership shares, if any, which shall not be less than twenty-five
10 nor more than one hundred dollars.

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

- 4 (1) For the annual meeting, which shall take place no later than one hundred eighty days
5 following the close of the fiscal year, the manner of notification of meetings and the conduct of
6 the same, the number of members constituting a quorum and regulations as to voting;
- 7 (2) The number of directors, which shall not be less than five, all of whom must be
8 members, their powers and duties, together with the duties of officers elected by the board of
9 directors;
- 10 (3) The qualifications for membership;
- 11 (4) The number of members of the credit committee and of the supervisory committee,
12 if elected or appointed, which shall not be less than three each, their terms of office, together
13 with their respective powers and duties;
- 14 (5) The conditions under which shares may be issued, transferred and withdrawn, loans
15 made and repaid, and the funds otherwise invested; **and**
- 16 (6) The charges, if any, which shall be made for failure to meet obligations punctually,
17 whether or not the credit union shall have the power to borrow, the method of receipting for
18 money, the manner of accumulating a reserve fund and 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 Missouri, on behalf
3 of members electing to participate in such insurance programs and to charge a fee for providing
4 such services;
- 5 (2) To exercise such additional powers, with the approval of the director, as federally
6 chartered credit unions may be authorized under federal statutes; however, this section shall not
7 apply to field of membership provisions within this chapter;

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

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

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

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

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

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

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

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

9 3. The director of the division of credit unions may accept, in lieu of making an annual
10 examination of a credit union, an audit report of the condition of the credit union made by an

11 auditor approved by the director of the division of credit unions for the purpose of making such
12 credit union audits, the cost of which audit shall be borne by the credit union.

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

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

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

6 3. Whenever the director revokes the certificate of approval of any credit union, he **or**
7 **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
2 upon a plan of reorganization; but he **or she** may at his **or her** option require the president or
3 secretary to do so. Notice of the meeting shall be mailed **or delivered** to each member, or posted
4 in a conspicuous place frequented by the members, at least seven days before the meeting.

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

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

370.170. 1. Special meetings of the members may be held by order of the board of
2 directors, or the supervisory committee, and shall be held on request of ten percent of the
3 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, or
6 corporation, having membership in a credit union, may be represented by one person, previously
7 authorized by such society, association, copartnership or corporation to transact business with
8 the credit union. The bylaws of a credit union, when approved by the membership, may provide
9 for mail **or electronic** ballots for the election of officers.

10 4. By majority vote of those present at any meeting, the members may decide on any
11 matter of interest to the credit union, amend the bylaws relating to qualifications for membership,
12 the election or appointment of the supervisory committee, determine the requirements for a credit
13 committee and if such committee should be elected or appointed, and overrule the directors on

14 any matter concerning guidelines for future plans and objectives, provided the notice of the
15 meeting has stated any such matter to be considered upon a written request of any member,
16 except that the members cannot cause the credit union to breach or abrogate any legally binding
17 obligation or contract previously executed by the board.

370.190. 1. ~~[At the first meeting, and at each first meeting in the fiscal year, the board
2 of directors shall elect from their own number a president, vice president, secretary and treasurer.
3 If the bylaws so provide, the offices of secretary and treasurer may be held by the same person.
4 ——— 2. Where the credit union bylaws so provide]~~ **At its first meeting following the annual
5 membership meeting**, the board of directors~~[- in lieu of the officers specified in subsection 1,]
6 shall elect from their own number a [chairman] chair of the board of directors, a vice [chairman]
7 chair, a secretary and a treasurer; and further shall designate such administrative officers
8 [including a president of the credit union and a vice president] as the bylaws may provide. [In
9 the event the bylaws of a credit union provide for the designation of officers as provided in this
10 subsection, where in this chapter there is a reference to a "president" and "vice president", for
11 such a credit union, the reference shall be understood to be to "chairman of the board" and "vice
12 chairman of the board"; and the word "manager" shall be understood to refer to a "president"]~~
13 **If the bylaws so provide, the offices of secretary and treasurer may be held by the same
14 person.**

15 ~~[3-]~~ 2. The duties of the officers shall be prescribed by the board of directors unless
16 otherwise specified in the bylaws.

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

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

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

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

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

16 ~~[(5) To declare dividends;~~

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

20 ~~——— (7)] and~~

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

23 ~~——— (8) To amend the bylaws except for those provisions in other sections of this chapter~~
24 ~~specifically reserved for membership action].~~

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

26 **(1) Authorize the employment and compensation of the chief executive officer;**

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

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

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

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

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

35 **3. Unless specifically prohibited by the bylaws, directors may participate in and act**
36 **at any meeting of the board through the use of a telephone or other electronic means.**

37 **Participation in the meeting in this manner shall constitute attendance.**

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

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

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

11 4. No loan shall be made unless it has received the majority approval of the members of
12 the committee present when the loan was considered, which number shall constitute at least a
13 majority of the committee. However, in the case of any credit union having total assets in excess
14 of one hundred thousand dollars, the board of directors may appoint a credit manager. The credit

15 manager may be delegated authority to act on all or some applications for loans, reporting
16 monthly thereon to the credit committee or board of directors, as the case may be.

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

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

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

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

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

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

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

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

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

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

12 ~~[2- Within forty-five days next after approval of such bonds by the board of directors,~~
13 ~~attested copies thereof, with a certificate of their custodian that the originals are in his~~
14 ~~possession, shall be filed with the director.]~~

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

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

 370.275. Shares, share certificates, deposits and deposit certificates may be held in the
2 name of a member in trust for a beneficiary, in the name of a nonmember in trust for a
3 beneficiary who is a member or in the name of a trustee of a trust of which a member is grantor,
4 trustee or beneficiary. Beneficiaries may be a minor or minors. No beneficiary, trustee or
5 grantor of a trust, unless a member in his **or her** own right, shall be permitted to vote, obtain
6 loans, **or** hold office ~~[or be required to pay an entrance or membership fee].~~ Payment of part or
7 all of such a trust account to the party in whose name the account is held shall, to the extent of

8 such payment, discharge the liability of the credit union to that party and to the beneficiary, and
9 the credit union shall be under no obligation to see to the application of such payment. In the
10 event of death of the party in whose name a trust account is held, and if the credit union has been
11 given no other written notice of the existence or terms of any trust, account funds and any
12 dividends or interest thereon shall be paid to the beneficiary.

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

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

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

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

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

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

18 **3. The credit union shall not be liable in damages as a result of an action taken
19 under this section.**

370.310. 1. A credit union may lend to its members, as herein provided, for such
2 purposes and upon such security as the bylaws provide and the credit committee or credit
3 manager shall approve, provided that no secured or unsecured loan shall be made in excess of
4 two thousand dollars, except that if ten percent of the assets of the credit union exceeds two
5 thousand dollars then the maximum amount of a loan by the credit union shall be ten percent of
6 its assets, and unsecured loans to any one member shall not exceed the limitations found in
7 current written policies of the board of directors.

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

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

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

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

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

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

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

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

370.350. 1. At any meeting called for the purpose, notice of the purpose being contained
2 in the call, three-fourths of the membership present may vote to dissolve the credit union and
3 shall thereupon signify their consent to such dissolution in writing and shall file such consent
4 with the director of the division of credit unions attested by a majority of its officers, with a
5 statement of the names and addresses of the directors and officers duly verified.

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

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

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

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

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

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

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

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

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

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

17 4. The certificate of merger with a copy of the articles of merger affixed thereto by the
18 director of the division of credit unions, or the certificates of consolidation with the copy of the
19 articles of consolidation and certified copy thereof, with the copy of the articles of consolidation
20 affixed thereto by the director of the division of credit unions, shall be returned to the surviving
21 credit 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 or consolidation files with such credit union, prior to or at the meeting of shareholders or members at which the plan of merger or consolidation is submitted to a vote, a written objection to such a plan of merger or consolidation, and shall not vote in favor thereof, and the shareholder within ten days after the merger or consolidation is effected, makes written demand on the surviving or new credit union for payment of the fair value of his **or her** share as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new credit union shall pay to such shareholder, upon surrender of his **or her** pass book or other record representing the shares, the fair value thereof as reflected by the books of the company, not including any goodwill or statutory reserve fund that may be had by the credit union.

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

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

370.358. 1. A credit union organized under the laws of another state may apply to the director of the division of credit unions for a certificate of organization as a credit union under the laws of this state and may be issued such a certificate by complying with the provisions of this section.

2. The application shall state:

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

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

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

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

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

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

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

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

22 5. (1) When the application is filed in conformity with the foregoing sections and the
23 same fee paid to the director of the division of credit unions as would be paid by applicants for
24 organization of a credit union in Missouri, the director of the division of credit unions, if he **or**
25 **she** finds the application is in conformity herewith, may issue a certificate of organization
26 creating the credit union as a Missouri corporation pending cancellation of its charter in the state
27 in which it is organized, but having a duration of ninety days. A copy of the certificate shall be
28 filed in the office of the secretary of state.

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

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

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

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

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

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

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

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

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

4 (1) The proposition for the conversion shall first be approved, and a date set for a vote
5 thereon by the members, either at a meeting to be held on the date or by ballot to be cast on or
6 before the date, by a majority of the directors of the state credit union. Written notice of the
7 proposition and of the date set for the vote shall then be delivered in person to each member, or
8 mailed or delivered to each member at the address for the member appearing on the records of
9 the credit union, not more than thirty nor less than fourteen days prior to the date. Approval of
10 the proposition for conversion shall be by the affirmative vote of a majority of the members who
11 vote by written or electronic ballot. All members should be provided the opportunity to vote,
12 without being required to attend the meeting where the proposition is voted on;

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

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

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

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

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

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

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

34 3. When the director of the division of credit unions has been satisfied that all of these
 35 requirements, and all other requirements of this chapter, have been complied with, he **or she**
 36 shall approve the organization certificate, a copy of which shall be filed with the secretary of
 37 state. Upon approval, the federal credit union shall become a state credit union as of the date it
 38 ceases to be a federal credit union. The state credit union shall be vested with all of the assets
 39 and shall continue responsible for all of the obligations of the federal credit union to the same
 40 extent as though the conversion had not taken place.

 385.015. All life insurance, accident and sickness insurance, involuntary unemployment
 2 insurance, credit casualty insurance, and property insurance written in connection with loans or
 3 other credit transactions shall be subject to the provisions of sections 385.010 to 385.080, except
 4 insurance for which no identifiable charge is made to the debtor and insurance written in
 5 connection with a loan or other credit transaction of more than ~~ten~~ **fifteen** years duration; nor
 6 shall insurance be subject to the provisions of sections 385.010 to 385.080 if the issuance of the
 7 insurance is an isolated transaction on the part of the insurer not related to an agreement or a plan
 8 for insuring debtors of the creditor or where the issuance of such insurance is in connection with
 9 a residential real estate secured credit transaction commitment exceeding twenty-five thousand
 10 dollars, which may be accessed on a discretionary basis by the debtor.

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

- 2 (1) "Agencies", the department of health and senior services and the commissioner of
 3 securities;
- 4 (2) "Agent", shall have the same meaning as in section 409.1-102;
- 5 (3) "Broker-dealer", shall have the same meaning as in section 409.1-102;
- 6 (4) "Financial exploitation", the wrongful or unauthorized taking, withholding,
 7 appropriation, or use of money, real property, or personal property of a qualified adult;
- 8 (5) "Immediate family member", a spouse, child, parent, or sibling of a qualified adult;
- 9 (6) **"Investment adviser", the same meaning as under section 409.1-102;**
- 10 (7) **"Investment adviser representative", shall have the same meaning as under**
 11 **section 409.1-102;**
- 12 (8) "Qualified adult":
 13 (a) A person sixty years of age or older; or
 14 (b) A person who:
 15 a. Has a disability as defined in section 192.2005; and
 16 b. Is between the ages of eighteen and fifty-nine;
- 17 ~~[(7)]~~ (9) "Qualified individual"[:]
 18 (a) **A broker-dealer;**
 19 (b) **An investment adviser; or**

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

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

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

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

6 (2) The ~~[broker-dealer or]~~ qualified individual[
7 ~~——(a)]~~, within two business days:

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

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

12 (c) **Sends written notice to the qualified adult. Such notice shall include the name**
13 **and contact information for the qualified individual who refused the disbursement or**
14 **transaction and for the Investor Protection Hotline administered by the securities division**
15 **of the secretary of state.**

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

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

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

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

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

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

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

33

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

 409.620. Notwithstanding any other provision of law to the contrary, ~~[a broker-dealer]~~
2 **an investment adviser representative**, agent, or qualified individual who, in good faith and
3 exercising reasonable care, complies with section 409.610 or 409.615 shall be immune from any
4 civil liability under those sections.

 409.625. A ~~[broker-dealer may]~~ **qualified individual shall, upon request**, provide
2 access to or copies of records that are relevant to the suspected financial exploitation of a
3 qualified adult to the agencies or law enforcement. The records may include historical records
4 or records relating to the most recent disbursement as well as disbursements that comprise the
5 suspected financial exploitation of a qualified adult. All records made available to the agencies
6 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
2 develop and make available a website that includes training resources to assist broker-dealers
3 ~~[and]~~ **, investment advisers, agents, and investment adviser representatives** in the prevention
4 and detection of financial exploitation of qualified adults. Such resources shall include, at a
5 minimum, indicators of financial exploitation of qualified adults and potential steps broker-
6 dealers ~~[and]~~ **, investment advisers, agents, and investment adviser representatives** may take
7 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)
2 of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not otherwise exempt under
3 sections 409.2-201 to 409.2-203, a rule adopted or order issued under this act may require the
4 filing of any or all of the following records:

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

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

12 (3) To the extent necessary or appropriate to compute fees, a report of the value of the
13 federal covered securities sold or offered to persons present in this state, if the sales data are not
14 included in records filed with the Securities and Exchange Commission and payment of a fee of
15 one-twentieth of one percent of the amount of securities sold in this state during that previous
16 fiscal year. In no case shall this fee exceed three thousand dollars.

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

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

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

38 **(e) With respect to a security that is a federal covered security under Section**
39 **18(b)(3) or 18(b)(4) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(3) or 77r(b)(4)),**
40 **a rule under this act may require a notice filing by or on behalf of an issuer to include:**

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

43 **(2) A consent to service of process complying with section 409.6-611 signed by the**
44 **issuer no later than the fifteenth day after the first sale of the federal covered security in**
45 **this state and the payment of a fee of one hundred dollars; and**

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

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

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

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

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

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

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

- 33 (2) Willfully violated or willfully failed to comply with this act or the predecessor act
34 or a rule adopted or order issued under this act or the predecessor act within the previous ten
35 years;
- 36 (3) Has been convicted of a felony or within the previous ten years has been convicted
37 of a misdemeanor involving a security, a commodity future or option contract, or an aspect of
38 a business involving securities, commodities, investments, franchises, insurance, banking, or
39 finance;
- 40 (4) Is enjoined or restrained by a court of competent jurisdiction in an action instituted
41 by the commissioner under this act or the predecessor act, a state, the Securities and Exchange
42 Commission, or the United States from engaging in or continuing an act, practice, or course of
43 business involving an aspect of a business involving securities, commodities, investments,
44 franchises, insurance, banking, or finance;
- 45 (5) Is the subject of an order, issued after notice and opportunity for hearing by:
- 46 (A) The securities, depository institution, insurance, or other financial services regulator
47 of a state or by the Securities and Exchange Commission or other federal agency denying,
48 revoking, barring, or suspending registration as a broker-dealer, agent, investment adviser,
49 federal covered investment adviser, or investment adviser representative;
- 50 (B) The securities regulator of a state or by the Securities and Exchange Commission
51 against a broker-dealer, agent, investment adviser, investment adviser representative, or federal
52 covered investment adviser;
- 53 (C) The Securities and Exchange Commission or by a self-regulatory organization
54 suspending or expelling the registrant from membership in the self-regulatory organization;
- 55 (D) A court adjudicating a United States Postal Service fraud order;
- 56 (E) The insurance regulator of a state denying, suspending, or revoking the registration
57 of an insurance agent; or
- 58 (F) A depository institution regulator suspending or barring a person from the depository
59 institution business;
- 60 (6) Is the subject of an adjudication or determination, after notice and opportunity for
61 hearing, by the Securities and Exchange Commission, the Commodity Futures Trading
62 Commission; the Federal Trade Commission; a federal depository institution regulator, or a
63 depository institution, insurance, or other financial services regulator of a state that the person
64 willfully violated the Securities Act of 1933, the Securities Exchange Act of 1934, the
65 Investment Advisers Act of 1940, the Investment Company Act of 1940, or the Commodity
66 Exchange Act, the securities or commodities law of a state, or a federal or state law under which
67 a business involving investments, franchises, insurance, banking, or finance is regulated;

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

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

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

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

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

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

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

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

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

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

98 (14) Is not qualified on the basis of factors such as training, experience, and knowledge
99 of the securities business. However, in the case of an application by an agent for a broker-dealer
100 that is a member of a self-regulatory organization or by an individual for registration as an
101 investment adviser representative, a denial order may not be based on this paragraph if the
102 individual has successfully completed all examinations required by subsection (e). The
103 commissioner may require an applicant for registration under section 409.4-402 or 409.4-404

104 who has not been registered in a state within the two years preceding the filing of an application
105 in this state to successfully complete an examination.

106 (e) A rule adopted or order issued under this act may require that an examination,
107 including an examination developed or approved by an organization of securities regulators, be
108 successfully completed by a class of individuals or all individuals. An order issued under this
109 act may waive, in whole or in part, an examination as to an individual and a rule adopted under
110 this act may waive, in whole or in part, an examination as to a class of individuals if the
111 commissioner determines that the examination is not necessary or appropriate in the public
112 interest and for the protection of investors.

113 (f) The commissioner may suspend or deny an application summarily; restrict, condition,
114 limit, or suspend a registration; or censure, bar, or impose a civil penalty on a registrant before
115 final determination of an administrative proceeding. Upon the issuance of an order, the
116 commissioner shall promptly notify each person subject to the order that the order has been
117 issued, the reasons for the action, and that within fifteen days after the receipt of a request in a
118 record from the person the matter will be scheduled for a hearing. If a hearing is not requested
119 and none is ordered by the commissioner within thirty days after the date of service of the order,
120 the order becomes final by operation of law. If a hearing is requested or ordered, the
121 commissioner, after notice of and opportunity for hearing to each person subject to the order,
122 may modify or vacate the order or extend the order until final determination.

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

- 125 (1) Appropriate notice to the applicant or registrant;
- 126 (2) Opportunity for hearing; and
- 127 (3) Findings of fact and conclusions of law in a record.

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

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

137 (j) Any applicant denied an agent, broker-dealer, investment adviser or investment
138 adviser representative registration by order of the commissioner pursuant to subsection (a) may
139 file a petition with the administrative hearing commission alleging that the commissioner has

140 denied the registration. The administrative hearing commission shall conduct hearings and make
141 findings of fact and conclusions of law. The commissioner shall have the burden of proving a
142 ground for denial pursuant to this act.

143 (k) If a proceeding is instituted to revoke or suspend a registration of any agent, broker-
144 dealer, investment adviser, or investment adviser representative pursuant to subsection (b), the
145 commissioner shall refer the matter to the administrative hearing commission. The
146 administrative hearing commission shall conduct hearings and make findings of fact and
147 conclusions of law in such cases. The commissioner shall have the burden of proving a ground
148 for suspension or revocation pursuant to this act. The administrative hearing commission shall
149 submit its findings of fact and conclusions of law to the commissioner for final disposition.

150 (l) Hearing procedures before the commissioner or the administrative hearing
151 commission and judicial review of the decisions and orders of the commissioner and of the
152 administrative hearing commission, and all other procedural matters pursuant to this act shall be
153 governed by the provisions of chapter 536. Hearings before the administrative hearing
154 commission shall also be governed by the provisions of chapter 621.

2 409.6-604. (a) If the commissioner determines that a person has engaged, is engaging,
3 or is about to engage in an act, practice, or course of business constituting a violation of this act
4 or a rule adopted or order issued under this act or that a person has materially aided, is materially
5 aiding, or is about to materially aid an act, practice, or course of business constituting a violation
6 of 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 in the act,
8 practice, or course of business or to take other action necessary or appropriate to comply with
9 this act;

10 (2) Issue an order denying, suspending, revoking, or conditioning the exemptions for a
11 broker-dealer under section 409.4-401(b)(1)(D) or (F) or an investment adviser under section
12 409.4-403(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 issuance of
15 the order, the commissioner shall promptly serve each person subject to the order with a copy
16 of the order and a notice that the order has been entered. The order must include a statement
17 whether the commissioner will seek a civil penalty or costs of the investigation, a statement of
18 the reasons for the order, and notice that, within fifteen days after receipt of a request in a record
19 from the person, the matter will be scheduled for a hearing. If a person subject to the order does
20 not request a hearing and none is ordered by the commissioner within thirty days after the date
of service of the order, the order becomes final as to that person by operation of law. If a hearing

21 is requested or ordered, the commissioner, after notice of and opportunity for hearing to each
22 person subject to the order, may modify or vacate the order or extend it until final determination.

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

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

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

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

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

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

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

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

47 (f) If a petition for judicial review of a final order is not filed in accordance with section
48 409.6-609, the commissioner may file a certified copy of the final order with the clerk of a court
49 of competent jurisdiction. The order so filed has the same effect as a judgment of the court and
50 may be recorded, enforced, or satisfied in the same manner as a judgment of the court.

51 (g) If a person does not comply with an order under this section, the commissioner may
52 petition a court of competent jurisdiction to enforce the order. The court may not require the
53 commissioner to post a bond in an action or proceeding under this section. If the court finds,
54 after service and opportunity for hearing, that the person was not in compliance with the order,
55 the court may adjudge the person in civil contempt of the order. The court may impose a further
56 civil penalty against the person for contempt in an amount not less than five thousand dollars but

57 not greater than one hundred thousand dollars for each violation and may grant any other relief
58 the court determines is just and proper in the circumstances.

59 (h) The commissioner is authorized to issue administrative consent orders in the
60 settlement of any proceeding in the public interest under this act.

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

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

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

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

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

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

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

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

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

24 **7. A prelicensing education course completed by an individual shall not satisfy the**
25 **prelicensing education requirement if the course precedes an application by a certain**
26 **period as established by the NMLSR.**

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

4 2. The director may, by rule, revise and conform the residential mortgage loan broker
5 license application and renewal process, and the licensing dates and periods under sections

6 443.701 to 443.893 to a system of licensing residential mortgage loan brokers administered in
7 cooperation with the NMLSR.

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

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

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

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

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

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

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

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

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

34 **5. For the purposes of this chapter and in order to reduce the points of contact**
35 **which the Federal Bureau of Investigation may have to maintain, the director may use the**
36 **NMLSR as an agent for requesting information from and distributing information to the**
37 **Department of Justice or any other governmental agency.**

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

3 ~~——(1)]~~ **rules that** advertising pursuant to sections 443.701 to 443.893 may not be false,
4 misleading or deceptive. No person whose activities are regulated pursuant to the provisions of

5 sections 443.701 to 443.893 may advertise in any manner so as to indicate or imply that the
6 person's interest rates or charges for loans are in any way recommended, approved, set or
7 established by the state or federal government or by the provisions of sections 443.701 to
8 443.893[;

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

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

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

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

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

12 **(2) Liquidate the securities and distribute the resulting moneys among recipients;**
13 **or**

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

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

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