



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCIAL INSTITUTIONS**

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[www.tennessee.gov/tdfi/](http://www.tennessee.gov/tdfi/)

**NON-DEPOSITORY PUBLIC TRUST COMPANY CHARTER APPLICATION**

Name of Proposed Trust Company:

\_\_\_\_\_

Street address of proposed principal office:

\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ County: \_\_\_\_\_ Zip: \_\_\_\_\_

\_\_\_\_\_

Proposed Trust Company phone number: \_\_\_\_\_

Mailing Address (If different than Street Address):

\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ County: \_\_\_\_\_ Zip: \_\_\_\_\_

\_\_\_\_\_

**Trust company organization:**

- Organized as Corporation  Organized as LLC

**Individual responsible for answering questions and responding to correspondence pertaining to this application:**

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Mailing address: \_\_\_\_\_

Email address: \_\_\_\_\_

## **I. Overview**

Provide a brief overview of the proposed trust company's business and any special market niche, including the products, market, services, and any nontraditional activities.

## **II. Proposed Market**

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

## **III. Services To Be Provided**

Attach a schedule of the types of products and services to be offered by the proposed trust company, including a schedule of fees for each such product or service.

## **IV. Recordkeeping/Accounting/Auditing**

A. Describe the methods the proposed trust company will use for recordkeeping of fiduciary accounts and whether processing will be done on-premises by Applicant or by a vendor under contractual agreement.

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

## V. Service Providers

List activities and functions that will be outsourced to third parties, identifying parties and noting any affiliations. Attach copies of any proposed contracts. Describe the due diligence conducted and the planned oversight and management program of the vendors' or service providers' relationships.

## VI. Information Systems

- A. Outline the proposed information systems architecture and any proposed changes or upgrades.
  
- B. State whether the proposed trust company plans to market its products and services (the ability to perform transactions or account maintenance) via electronic means. If yes, specifically state the products and services that will be offered electronically.
  
- C. Estimate the start-up costs for the information systems related to the products and services and the expected annual operating and maintenance costs (including telecommunications, hardware, software, and personnel).
  
- D. What provisions are planned for continued operations and/or recovery in the event of a disaster affecting the computer accounting and processing system(s)?

## VII. Premises and Fixed Assets

Complete the ***Premises to be Occupied by Proposed Trust Company*** form attached. **(Attachment VII-A).**

## VIII. Insurance

- A. Attach a summary of the proposed trust company's fidelity bond and Director's and Officer's (D&O) insurance covering the company, directors, and employees. The applicants are encouraged to include an errors and omissions clause within the D&O insurance policy.
- B. Attach a summary of the proposed trust company's insurance against burglary, robbery, theft, liability, fire and similar insurable hazards to which the proposed trust company may be exposed.

## IX. Capitalization

- A. Provide a description and reconciliation of capital with which the proposed trust company will commence business. Include a specific breakdown and description of any classes of voting securities, and the terms of any subordinated debt to be included.
- B. Attach a copy of the proposed Charter or Articles of Organization.
- C. Attach a copy of the offering circular or offering letter if capital is to be raised by public offering or private placement offering, whether at the trust company level or by an entity that will control the state trust company.
- D. Attach a copy of the escrow agreement for the escrow account in which subscription funds shall be placed.
- E. Complete the attached **Organizational Expenses** schedule. **(Attachment IX-E)**
- F. Attach a comprehensive Capital Plan utilizing a 3 year outlook. The Plan should at minimum identify capital levels that correlate to account type and anticipated account growth, funding type and sources, and management oversight and documentation procedures.
- G. List the name and address of each known investor, and the number of shares or membership units purchased by each. Also, for organizers, directors, senior executive officers, and other insiders, include the amount of direct and indirect borrowings to finance the investment and discuss how any debt will be serviced.

**X. Performance Projections**

- A. Complete the attached **Pro Forma Statement of Condition** schedule for the proposed trust company's first three years of operation. **(Attachment X-A)**
- B. Complete the attached **Pro Forma Summary of Trust Activity** schedule of the estimate of trust business by type including number of accounts, and anticipated dollar market value for the proposed trust company's first three years of operations. **(Attachment X-B)**
- C. Complete the attached **Pro Forma Fiduciary and Related Services Income/Expenses** schedule for the proposed trust company's first three years of operation. **(Attachment X-C)**

**XI. Business Plan**

Attach a copy of the proposed trust company's three year business plan.

**XII. Incorporators/Organizers, Directors/Managers & Officers**

- A. **Incorporators/Organizers:** Provide the following information for each incorporator/organizer or of each individual controlling any entity acting as an incorporator or organizer.

Name	Shares Subscribed	Percentage Owned

- B. **Directors/Managers:** List all directors or managers, specifically designating the Chairman, Vice Chairman, Chief Executive Officer and committee assignments, if known.

Name	Title	Committee Assignment(s)

- C. Describe plans for compensation of directors, if any, including, but not limited to, fees for attending meetings, retainers, salary, deferred compensation, stock option plans, insurance benefits, etc.
  
- D. Attach a listing of designated committees and their functions.
  
- E. Attach a copy of the proposed organizational chart.
  
- F. Attach a copy of the proposed corporate by-laws or operating agreement.
  
- G. **Officers:** List all officers, including names, titles, brief description of duties, and proposed salaries.

Name	Title and Duties	Salary

- H. Describe plans for non-salary compensation, if any, for non-director officers, including, but not limited to, deferred compensation, profit-sharing, stock option plans, bonuses, insurance benefits, etc.
  
- I. Attach drafts of any employment contracts to be entered into with any director or management official.
  
- J. Complete the **Biographical and Financial Report** for each director/manager, officer, and incorporator /organizer listed in A, B and G above. **(Attachment XII-J)**
  
- K. Attach a current credit report for each incorporator/organizer, director/manager, and officer of the proposed new trust company. The credit report must be dated no more than thirty (30) days from the date the application is filed, and should be from a consumer reporting agency as defined in 15 U.S.C. §1681a(p).

**XIII: Policies and Procedures**

Provide copies of policies/procedures or specify plans to develop such policies/procedures addressing the following:

- INFORMATION TECHNOLOGY POLICY and GLBA PRIVACY POLICY
- BUSINESS CONTINUITY/DISASTER RECOVERY PLAN
- CONFLICT OF INTERESTS AND SELF-DEALING POLICY
- AUDIT POLICY
- BSA/USA PATRIOT ACT POLICY
- STATEMENT OF FIDUCIARY PRINCIPLES
- REGULATION R POLICY
- INVESTMENT POLICY
- OVERDRAFT AND CASH BALANCE POLICY
- GUIDELINES FOR ACCOUNT ADMINISTRATION
- FEE CONCESSIONS
- SECURITIES TRADING
- OPERATIONS AND CONTROLS GUIDELINES
- BUSINESS DEVELOPMENT GUIDELINES
- POLICY EXCEPTION REPORTING AND APPROVAL GUIDELINES

**ATTESTATION**

We, the undersigned incorporators or organizers, hereby apply to the Tennessee Department of Financial Institutions for a charter to establish and operate a Tennessee public trust company pursuant to Title 45, Chapters 1 and 2 of the Tennessee Code Annotated. In connection with this Application, we jointly and severally attest that the responses and information herein provided are complete, true, and correct to the best of our knowledge and belief. We acknowledge and understand that any misrepresentation or omission of material fact presented in this Application or submitted by the Applicant in connection with the organization of this proposed trust company may, in the discretion of the Commissioner, constitute grounds for denial of the Application.

Name (typed)	Signature	Date