STATE OF ILLINOIS

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**



**APPLICATION FOR APPROVAL TO CONVERT TO A STATE BANK**

**PURSUANT TO SECTION 25 AND SECTION 30 OF THE ILLINOIS BANKING ACT**

**NOTICE TO APPLICANT**

Under the provisions of the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq., this application is considered a public document and available to the public upon request.

If the applicant is of the opinion that disclosure of commercial or financial information would likely result in substantial harm to the competitive position of the applicant or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy, a request for confidential treatment must be submitted in writing concurrently with the submission of the application and must discuss in detail the justification for confidential treatment. Such justification must be provided for each response or exhibit for which confidential treatment is requested.

The applicant's reasons for requesting confidentiality should demonstrate specifically the harm that would result from public release of the information. A statement simply indicating that the information would result in competitive harm or that it is personal in nature is not sufficient. A claim that disclosure would violate the law or policy of another state is not, in and of itself, sufficient to exempt information from disclosure. It must be demonstrated that disclosure would either cause "competitive harm" or present an unwarranted invasion of personal privacy.

Information for which confidential treatment is requested should be: (1) specifically referenced in the public portion of the application by reference to the confidential section; (2) separately bound; and (3) labeled "Confidential."

The applicant should follow this same confidentiality procedure when filing any supplemental information to the application.

The Department of Financial and Professional Regulation ("Department") will determine whether information submitted as confidential will be so regarded and will advise the applicant of any decision to make available to the public information labeled "Confidential." However, the Department, without prior notice to the applicant, may disclose or comment on any of the contents of the application in the approval issued by the Department in connection with the Department's decision on the application.

The Department is requesting disclosure of information that is necessary to accomplish the statutory purpose outlined under 205 ILCS 5/25 and 5/30. Disclosure of this information is REQUIRED. Failure to provide all of the required information will result in this form not being processed. This form has been approved by the Agency Forms Coordinator.

IL 505-0439 (Rev 6/2017)

**Application for Approval to Convert to a State Bank**

**Instructions**

1. Applications should be submitted in an electronic version or by e-mail. A paper version may be submitted as an alternative, but an electronic version in either a Word or Excel format is preferred. The application and non-refundable filing fee, made payable to the "Department of Financial and Professional Regulation", must be submitted to the Springfield office.

**Department of Financial and Professional Regulation**

**Division of Banking**

**Corporate Activities Section**

**320 West Washington Street**

**Springfield, IL 62786**

**Applications may also be submitted electronically to:** IDFPR.BanksandTrustApps@illinois.gov

**The schedule of filing fees is available at:** <http://www.ilga.gov/commission/jcar/admincode/038/038003700000300R.html>

2. This application must be complete and accompanied by all of the required information before it will be accepted for processing.

3. The Department may conduct an examination of the converting institution. The actual cost of such examination will be charged to the converting institution.

4. If the converting institution or resulting bank would like to continue the fiduciary activities it holds prior to conversion, the converting institution or resulting bank must submit the attached Application to Exercise Trust Powers and the appropriate filing fee.

5. Additional pages may be attached to this application as inserts wherever the space provided in the application is insufficient. Label additional pages with the preceding page number followed by a letter (i.e., 2a, 2b...).

6. Separate and identify each section of the application.

7. In order to approve the plan of conversion, the Department must determine that the required information provides satisfactory evidence to make the findings required by Section 26 or Section 30 of the Illinois Banking Act ("Act"), 205 ILCS 5/26 or 5/30. If the converting institution is also seeking to maintain, increase or obtain fiduciary powers as a state bank, and does not already hold a certificate of authority under the Corporate Fiduciary Act, the Department must determine that the required information provides satisfactory evidence to make the findings required by Section 2-6 of the Corporate Fiduciary Act, 205 ILCS 620/2-6.

8. Questions pertaining to this application should be directed to the Corporate Activities Section at (217) 785-2900.

**Application for Approval to Convert to a State Bank**

**Procedures**

1. The board of directors must approve a plan of conversion that meets the requirements of the Department and the laws under which the institution is chartered that govern the conversion of the institution to a state bank.
2. The stockholders will approve a plan of conversion that meets the requirements of the Department and the laws of the United States or of the State of Illinois that govern the conversion to a state bank.
3. The Department may conduct an examination of the converting institution.
4. If the plan of conversion is disapproved, the Department will submit the written objections to the board of directors and provide the opportunity to amend the plan of conversion and eliminate the objections.
5. If the Department approves the plan of conversion, a certificate of conversion and charter will be issued. If the converting institution is seeking to maintain, increase or obtain fiduciary powers as a state bank, and does not already hold a Certificate of Authority under the Corporate Fiduciary Act, a Certificate of Authority to exercise fiduciary powers will also be issued upon approval of the plan of conversion.
6. The conversion is effective upon the Department's approval unless a later date is specified in the plan of conversion.

**Required Information**

**Attach the Following Information as Exhibits**

1. A certificate signed by the president, vice president, or cashier (and in the case of a converting trust company, the president or a vice president) and by a majority of the entire board of directors setting forth the corporate action taken in compliance with the provisions of the Act under which it is organized governing the conversion to a state bank.
2. A plan of conversion for the operation of the institution as a state bank approved by a majority of the entire board of directors and by the stockholders. At a minimum, the plan of conversion must contain the following information:

a. the proposed name of the resulting bank;

b. the address of the main banking premises of the resulting bank;

c. a list of stockholders as of the date of stockholder approval of the plan of conversion;

d. the amount of the converting institution's capital, surplus and undivided profits, the classes and the number of shares of stock and the par value of each share of stock;

e. a statement that the plan of conversion is subject to the Department's approval;

f. a statement authorizing the Department to examine the converting institution;

g. a statement that the converting institution will pay the costs of the examination whether or not the Department approves the plan of conversion;

h. a designation of the market areas the resulting bank intends to serve;

i. proposed amendments to the resulting bank's charter;

j. a list of all the converting institution's subsidiaries and a description of their activities; and

k. if applicable, indicate whether the converting institution will maintain membership in the Federal Reserve upon conversion.

1. A copy of the resulting bank's proposed by-laws.
2. A list of the resulting bank's proposed directors, president, senior loan officer, cashier and, if applicable, senior trust officer.
3. An Authorization for Release of Personal Information and completed biographical information and certification on the Interagency Biographical and Financial Report from each proposed director, senior executive officers or senior trust officer of the resulting bank.
4. Certified copy of a resolution of the board of directors of the converting institution approving the plan of conversion.
5. Certified copy of the resolution of the shareholders approving the plan of conversion.
6. An organization chart of the applicant, detailing any parent companies, subsidiaries, and affiliates; including their locations.

**Required Information**

**Attach the Following Information as Exhibits**

9. The names and addresses of each person or entity having ownership interest, or voting control, in 10% or more of the controlling corporation's stock, showing the number of shares owned or controlled by each. If the applicant is not owned or controlled by a holding company, the above listed information with respect to the applicant.

10. Provide information on any legal action for which the institution is currently involved. State full details, including names of plaintiffs and nature and amount of claims.

11. The most recent board package presented to the bank's board of directors. The package should include but not be limited to the bank's most recent budget, watch list, internal asset classifications, updated regulatory classifications, and delinquent loan list.

12. Completed *Designation for Automated Clearinghouse Payment of Regulatory Fees* form. A copy of this form is attached to the application.

13. Completed *Non-Financial Data Survey Form* which is attached to the application.

14. List the name, address, telephone number, and email address of the individual who may be contacted to provide additional information with respect to this application.

**Application for Approval to Convert to a State Bank**

1. Name and address of the converting institution. If ownership of a converting institution is presently held by a holding company, also list the name and address of the holding company.

1. Provide a brief overview of the proposed transaction.

1. Provide the following information with respect to the resulting bank's Information Systems Processing:

a. the name and telephone number of the employee responsible for Information Systems Processing activities;

b. a brief description of any changes in Information Systems Processing as a result of the conversion;

c. for the resulting bank's primary banking applications (demand deposits, savings deposits, time deposits, loans, general ledger), a brief description of how the Information Systems Processing is performed (in-house, outside service provider, etc.);

d. if processing will be performed on an in-house computer system, the type of hardware and application software; and

e. if processing will be performed by an outside service provider, a brief description of how dollar transactions will be entered into the service provider's computer system.

**Application for Approval to Convert to a State Bank**

**Application Certification**

The applicant certifies that the statements and information contained in this application are true and complete to the best of his/her knowledge and belief.

If the Department finds, at any time after receipt of this document, that any of the information contained herein is not true and complete, the Department may take such action as authorized by applicable law, rule or regulation.

**Signature(s) of authorized Date:**

**representative of applicant:**

**Application for Approval to Convert to a State Bank**

**Appendix for Fiduciary Powers**

**I. Attach the Following Information as Exhibits**

1. In reference to #2 of the "Required Information" section of the Application for Approval to Convert to a State Bank, the plan of conversion also should include the following:

a. The appointment of not less than three directors, at least one of whom is not an officer of the institution, to serve as a Trust Committee. The names of those directors appointed should appear in the plan of conversion.

NOTE: The entire board of directors may act as the Trust Committee.

1. The appointment of at least two trust officers or one trust officer and one assistant trust officer. The names of those appointed should appear in the plan of conversion.
2. A business plan outlining the institution's plans for the establishment, operating, and marketing of the proposed trust department, including the amount of capital for operating expenses will be committed to the trust department.
3. The duration of the proposed corporate fiduciary, which may be perpetual.

2. If not already provided elsewhere in the application, a completed "Interagency Biographical and Financial Report" form for each of the following:

a. Trust Officer(s)

b. Assistant Trust Officer(s)

c. Trust Committee

3. If not already provided elsewhere in the application, a complete "Authorization for Release of Personal Information" form is required for each of the individuals identified in Item 2 above.

1. An organization chart of the proposed trust department showing functional divisions of the department and also showing the placement of the trust department within the bank's organizational structure.
2. A copy of the institution's proposed policies and procedures for the operation of the trust department.

**Application for Approval to Convert to a State Bank**

**Appendix for Fiduciary Powers**

***Appendix for Fiduciary Powers***

1. A description (indicating level of coverage and insurance carrier) of the applicant's fidelity insurance (including trust errors and omissions insurance, fiduciary liability, etc.), covering the applicant, its active officers, directors and employees, now in effect and whether such policies will provide coverage to the proposed trust department.
2. A description of the methods used for record keeping of fiduciary accounts. If the record keeping system is to be computerized, indicate the type of system(s) and software to be used, and if it will be located on or off premises. If off premises, indicate where and by whom it will be maintained.
3. If the applicant currently has fiduciary powers, a copy of the document(s) issued by the applicant's current regulator that authorize the exercise of those fiduciary powers.

**Application for Approval to Convert to a State Bank**

**Appendix for Fiduciary Powers**

**II. Application to Exercise Fiduciary Powers**

1. This application is submitted to apply for:

[ ]  Full Trust Powers [ ]  Limited Trust Powers

2. If limited trust powers is checked in Question 1 above, indicate the types of powers desired to be executed.

**Personal Trust Powers:**

[ ]  Executor [ ]  Guardian

[ ]  Administrator [ ]  Agent

[ ]  Trustee [ ]  Investment Management Agent

[ ]  Conservator [ ]  Investment Advisor Agent

[ ]  Custodian [ ]  Other (Specify)

[ ]  Trustee Under Land Trusts

**Employee Benefit Trust Powers:**

[ ]  Trustee [ ]  Agent

[ ]  Custodian [ ]  Investment Management Agent

[ ]  Investment Advisor Agent [ ]  Other (Specify)

**Corporate Trust Powers:**

[ ]  Trustee [ ]  Paying Agent

[ ]  Agent [ ]  Registrar of Stocks and Bonds

[ ]  Escrow Agent [ ]  Other (Specify)

[ ]  Transfer Agent

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**Division of Banking**

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| **DESIGNATION FOR AUTOMATED CLEARINGHOUSE PAYMENT OF REGULATORY FEES** |

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| --- | --- | --- | --- |
| **Name:** |  | **DFPR Account #:** |  |
| **Address:** |  |
| **City, State, Zip Code:** |  |

The undersigned hereby acknowledges that the Department of Financial and Professional Regulation (“Department”), Division of Banking will initiate debit entries to the account at the Depository or entity designated below, for the purpose of collecting assessed supervisory fees. It is further acknowledged that it remains the institution's responsibility to notify the Department of changes in depositories or account numbers and to have adequate funds in the account to be debited to be able to properly pay the remittance due to the Department. If the institution does not have an account at a facility that does not participate in the Automated Clearing House (ACH) Program, you must contact a qualifying institution and establish an account for regulatory payments.

**Please type or print legibly:**

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| --- | --- | --- | --- |
| DEPOSITORY NAME: |       | CITY: |       |

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| --- | --- | --- | --- | --- | --- |
| ACCOUNT NAME: |       | STATE: |       | ZIP: |  |

**Please check one of the following:**

[ ]  This is an account held within my institution.

[ ]  This is an account held with a Correspondent Financial institution. (NOTE: If you choose this box, the Routing Transit Number below should be that of your Correspondent.)

[ ]  This is an account held with my Holding Company. (NOTE: If you choose this box, the Routing Transit Number below should be that of your Holding Company.)

**ROUTING TRANSIT NUMBER OF FINANCIAL ACCOUNT NUMBER TO BE DEBITED**

**INSTITUTION ABOVE (9 digit number): (17 digit maximum):**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **TYPE OF ACCOUNT (Please check one):** | [ ]  | Direct Deposit (Checking) | [ ]  | General Ledger | [ ]  | Savings |

The undersigned agrees to notify the Department, or cause the Department to be notified either by using the Automated Clearing House Network or by written notification of a change of the above designated Routing Transit Number or Account Number at least 30 days prior to the next established payment date.

The undersigned acknowledges that failure to allow the Department of Financial and Professional Regulation to debit assessments from the designated deposit account or to ensure that funds in an amount at least equal to the invoiced amount are available to the Department for direct debit shall be deemed to constitute nonpayment of the assessment. This authorization revokes all prior direct authorization notifications applicable to the debits and will remain in effect until revoked by written notification.

The method of fee collection shall be governed by the rules of the National Automated Clearing House Association, and the Uniform Commercial Code.

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| **Authorized Representative:** |       | **Title:** |       |

  ***[Please print] [Please print]***

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| **Telephone Number:** | (       )       | **E-Mail Address:** |        |

 ***[Please print]***

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| **Signed:** |   | **Date:** |        |

 ***(May only be authorized by President, Vice-President or Cashier of the Institution) [Please print]***

**Please complete this form and return no less than 30 days prior to the established payment date to:**

IDFPR - DIVISION OF BANKING

 Bureau of Banks, Trust Companies, and Savings Institutions **Phone: (217) 785-2900**

 320 West Washington Street **Fax: (217) 557-0330**

Compliance Reporting – 5th Floor

Springfield, Illinois 62786

IL.BANKS@Illinois.gov - [www.IDFPR.com](http://www.IDFPR.com)

IL505-0687 (Rev. 10/2020)

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|  | **Illinois Department of Financial and Professional Regulation****Division of Banking** |
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**Non-Financial Data Survey Form**

The Division of Banking is requesting disclosure of information reflected on this form. Disclosure of this information is mandatory. Your institution may not match these specific titles. Please list the contact information for the officers that normally perform these duties or functions at your institution. You may only list one (1) staff member per title.

Institution Name:

Institution Street Address:

Institution City, State Zip Code:

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| **EMAIL ALERT SYSTEM INFORMATION – BROADCAST MESSAGE INFORMATION** |

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| **Contact Type / Name / Title** |  | **Address** |  | **Business Phone / E-Mail / Emergency After Hours Phone** |
| **Primary E-Mail Contact** |  |   |  |   |
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| **Billing Contact (E-Mail)** |  |   |  |   |
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| **Main Phone Number** |  |   |
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| **Fax Number** |  |   |
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| Is this institution publicly traded? 🞏 Yes 🞏No |
| Does this institution maintain a pension plan for its employees? 🞏 Yes 🞏No |
| If the pension fund is maintained by this institution, is the pension fund managed by your own trust department? 🞏 Yes 🞏 No 🞏 N/A |
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| **COMMERCIAL BANK, SAVINGS BANK, & CORPORATE FIDUCIARY KEY OFFICER INFORMATION** |
| **Contact Type / Name / Title** |  | **Address** |  | **Business Phone / E-Mail / Emergency After Hours Phone** |
| **Chief Executive Officer** |  |   |  |   |
|   |  |   |  |   |
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| **Alternate E-Mail Contact** |  |   |  |   |
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| **COMMERCIAL BANK, SAVINGS BANK & CORPORATE FIDUCIARY KEY OFFICER INFORMATION (Cont.)** |
| **Contact Type / Name / Title** |  | **Address** |  | **Business Phone / E-Mail / Emergency After Hours Phone** |
| **Chief Operating Officer** |  |   |  |   |
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|  |  |  |  |  |
| **President** |  |   |  |   |
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| **Cashier/CFO** |  |   |  |   |
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| **Trust Officer** |  |   |  |   |
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| **Chairman of the Board** |  |   |  |   |
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| **Compliance Officer** |  |   |  |   |
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| **Default & Foreclosure Contact** |  |   |  |   |
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| **FOREIGN BANKING OFFICE KEY OFFICER INFORMATION** |
| **Contact Type / Name / Title** |  | **Address** |  | **Business Phone / E-Mail / Emergency After Hours Phone** |
| **General Manager** |  |   |  |   |
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| **Regional Manager** |  |   |  |   |
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| **Compliance Officer** |  |   |  |   |
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| **FOREIGN BANK REPRESENTATIVE OFFICE & FOREIGN CORPORATE FIDUCIARY KEY OFFICER INFORMATION** |
| **Contact Type / Name / Title** |  | **Business Address** |  | **Business Phone / E-Mail / Emergency After Hours Phone** |
| **Annual Renewal Contact**  |  |   |  |   |
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| **General Manager at Rep. Office** |  |   |  |   |
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| **I certify that the information provided on this form is true and complete to the best of my knowledge and belief.** |
| Signature of Officer: |  |   |  | Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Typed Name: |  |   |  | Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Completed By (printed): |  |   |  | Phone Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

**Please Return Form To:**

Illinois Department of Financial and Professional Regulation

Division of Banking

ATTN: Compliance Reporting Section, 5th Floor

320 West Washington Street

Springfield, Illinois 62786

Email: IL.Banks@illinois.gov

[www.idfpr.com](http://www.idfpr.com)