

1 AMENDMENT TO HOUSE BILL 2538

2 AMENDMENT NO. _____. Amend House Bill 2538 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Office of Banks and Real Estate Act is
5 amended by changing Sections 5 and 6 as follows:

6 (20 ILCS 3205/5) (from Ch. 17, par. 455)

7 Sec. 5. Powers. In addition to all the other powers and
8 duties provided by law, the Commissioner shall have the
9 following powers:

10 (a) To exercise the rights, powers and duties formerly
11 vested by law in the Director of Financial Institutions under
12 the Illinois Banking Act.

13 (b) To exercise the rights, powers and duties formerly
14 vested by law in the Department of Financial Institutions
15 under "An act to provide for and regulate the administration
16 of trusts by trust companies", approved June 15, 1887, as
17 amended.

18 (c) To exercise the rights, powers and duties formerly
19 vested by law in the Director of Financial Institutions under
20 "An act authorizing foreign corporations, including banks and
21 national banking associations domiciled in other states, to
22 act in a fiduciary capacity in this state upon certain

1 conditions herein set forth", approved July 13, 1953, as
2 amended.

3 (d) Whenever the Commissioner is authorized or required
4 by law to consider or to make findings regarding the
5 character of incorporators, directors, management personnel,
6 or other relevant individuals under the Illinois Banking Act,
7 the Corporate Fiduciary Act, the Pawnbroker Regulation Act,
8 or at other times as the Commissioner deems necessary for the
9 purpose of carrying out the Commissioner's statutory powers
10 and responsibilities, the Commissioner shall consider
11 criminal history record information, including nonconviction
12 information, pursuant to the Criminal Identification Act.
13 The Commissioner shall, in the form and manner required by
14 the Department of State Police and the Federal Bureau of
15 Investigation, cause to be conducted a criminal history
16 record investigation to obtain information currently
17 contained in the files of the Department of State Police or
18 the Federal Bureau of Investigation, provided that the
19 Commissioner need not cause additional criminal history
20 record investigations to be conducted on individuals for whom
21 the Commissioner, a federal bank regulatory agency, or any
22 other government agency has caused such investigations to
23 have been conducted previously unless such additional
24 investigations are otherwise required by law or unless the
25 Commissioner deems such additional investigations to be
26 necessary for the purposes of carrying out the Commissioner's
27 statutory powers and responsibilities. The Department of
28 State Police shall provide, on the Commissioner's request,
29 information concerning criminal charges and their disposition
30 currently on file with respect to a relevant individual.
31 Information obtained as a result of an investigation under
32 this Section shall be used in determining eligibility to be
33 an incorporator, director, management personnel, or other
34 relevant individual in relation to a financial institution or

1 other entity supervised by the Commissioner. Upon request
2 and payment of fees in conformance with the requirements of
3 Section 2605-400 of the Department of State Police Law (20
4 ILCS 2605/2605-400), the Department of State Police is
5 authorized to furnish, pursuant to positive identification,
6 such information contained in State files as is necessary to
7 fulfill the request.

8 (e) When issuing charters, permits, licenses, or other
9 authorizations, the Commissioner may impose such terms and
10 conditions on the issuance as he deems necessary or
11 appropriate to ensure that the issuance is consistent with
12 applicable statutes, rules, and policies. Failure to abide
13 by those terms and conditions may result in the revocation
14 of the issuance, the imposition of corrective orders, or the
15 imposition of civil money penalties.

16 (f) If the Commissioner has reasonable cause to believe
17 that any entity that has not submitted an application for
18 authorization or licensure is conducting any activity that
19 would otherwise require authorization or licensure by the
20 Commissioner, the Commissioner shall have the power to
21 subpoena witnesses, to compel their attendance, and to
22 require the production of any relevant books, papers,
23 accounts, and documents in order to determine whether the
24 entity is subject to authorization or licensure by the
25 Commissioner or the Office of Banks and Real Estate.

26 (g) The Commissioner may, through the Attorney General,
27 request the circuit court of any county to issue an
28 injunction to restrain any person from violating the
29 provisions of any Act administered by the Commissioner.

30 (h) Whenever the Commissioner is authorized to take any
31 action or required by law to consider or make findings, the
32 Commissioner may delegate or appoint an officer or employee
33 of the Office of Banks and Real Estate to take that action or
34 make that finding.

1 (Source: P.A. 90-301, eff. 8-1-97; 90-602, eff. 7-1-98;
2 91-239, eff. 1-1-00.)

3 (20 ILCS 3205/6) (from Ch. 17, par. 456)

4 Sec. 6. Duties. The Commissioner shall direct and
5 supervise all the administrative and technical activities of
6 the Office and shall:

7 (a) Apply and carry out this Act and the law and all
8 rules adopted in pursuance thereof.

9 (b) Appoint, subject to the provisions of the Personnel
10 Code, such employees, experts, and special assistants as may
11 be necessary to carry out effectively the provisions of this
12 Act and, if the rate of compensation is not otherwise fixed
13 by law, fix their compensation; but neither the Commissioner
14 nor any deputy commissioner shall be subject to the Personnel
15 Code.

16 (c) Serve as Chairman of the State Banking Board of
17 Illinois.

18 (d) Serve as Chairman of the Board of Trustees of the
19 Illinois Bank Examiners' Education Foundation.

20 (e) Issue guidelines in the form of rules or regulations
21 which will prohibit discrimination by any State chartered
22 bank against any individual, corporation, partnership,
23 association or other entity because it appears in a so-called
24 blacklist issued by any domestic or foreign corporate or
25 governmental entity.

26 (f) Make an annual report to the Governor regarding the
27 work of the Office as the Commissioner may consider desirable
28 or as the Governor may request.

29 (g) Perform such other acts as may be requested by the
30 State Banking Board of Illinois pursuant to its lawful powers
31 and perform any other lawful act that the Commissioner
32 considers to be necessary or desirable to carry out the
33 purposes and provisions of this Act.

1 (h) Adopt, in accordance with the Illinois
2 Administrative Procedure Act, reasonable rules that the
3 Commissioner deems necessary for the proper administration
4 and enforcement of any Act the administration of which is
5 vested in the Commissioner or the Office of Banks and Real
6 Estate.

7 (Source: P.A. 89-508, eff. 7-3-96.)

8 Section 10. The Illinois Banking Act is amended by
9 changing Sections 2, 5, 5b, 7, 8, 10, 12, 13, 13.5, 14, 15,
10 16.1, 17, 18, 21.2, 22, 25, 30.5, 31, 33, 37, 47, 48, 48.5,
11 49, 51, and 53, and adding Sections 4.9 and 48.7 as follows:

12 (205 ILCS 5/2) (from Ch. 17, par. 302)

13 Sec. 2. General definitions. In this Act, unless the
14 context otherwise requires, the following words and phrases
15 shall have the following meanings:

16 "Accommodation party" shall have the meaning ascribed to
17 that term in Section 3-419 of the Uniform Commercial Code.

18 "Action" in the sense of a judicial proceeding includes
19 recoupments, counterclaims, set-off, and any other proceeding
20 in which rights are determined.

21 "Affiliate facility" of a bank means a main banking
22 premises or branch of another commonly owned bank. The main
23 banking premises or any branch of a bank may be an "affiliate
24 facility" with respect to one or more other commonly owned
25 banks.

26 "Appropriate federal banking agency" means the Federal
27 Deposit Insurance Corporation, the Federal Reserve Bank of
28 Chicago, or the Federal Reserve Bank of St. Louis, as
29 determined by federal law.

30 "Bank" means any person doing a banking business whether
31 subject to the laws of this or any other jurisdiction.

32 A "banking house", "branch", "branch bank" or "branch

1 office" shall mean any place of business of a bank at which
2 deposits are received, checks paid, or loans made, but shall
3 not include any place at which only records thereof are made,
4 posted, or kept. A place of business at which deposits are
5 received, checks paid, or loans made shall not be deemed to
6 be a branch, branch bank, or branch office if the place of
7 business is adjacent to and connected with the main banking
8 premises, or if it is separated from the main banking
9 premises by not more than an alley; provided always that (i)
10 if the place of business is separated by an alley from the
11 main banking premises there is a connection between the two
12 by public or private way or by subterranean or overhead
13 passage, and (ii) if the place of business is in a building
14 not wholly occupied by the bank, the place of business shall
15 not be within any office or room in which any other business
16 or service of any kind or nature other than the business of
17 the bank is conducted or carried on. A place of business at
18 which deposits are received, checks paid, or loans made shall
19 not be deemed to be a branch, branch bank, or branch office
20 (i) of any bank if the place is a terminal established and
21 maintained in accordance with paragraph (17) of Section 5 of
22 this Act, or (ii) of a commonly owned bank by virtue of
23 transactions conducted at that place on behalf of the other
24 commonly owned bank under paragraph (23) of Section 5 of this
25 Act if the place is an affiliate facility with respect to the
26 other bank.

27 "Branch of an out-of-state bank" means a branch
28 established or maintained in Illinois by an out-of-state bank
29 as a result of a merger between an Illinois bank and the
30 out-of-state bank that occurs on or after May 31, 1997, or
31 any branch established by the out-of-state bank following the
32 merger.

33 "Call report fee" means the fee to be paid to the
34 Commissioner by each State bank pursuant to paragraph (a) of

1 subsection (3) of Section 48 of this Act.

2 "Capital" includes the aggregate of outstanding capital
3 stock and preferred stock.

4 "Cash flow reserve account" means the account within the
5 books and records of the Commissioner of Banks and Real
6 Estate used to record funds designated to maintain a
7 reasonable Bank and Trust Company Fund operating balance to
8 meet agency obligations on a timely basis.

9 "Charter" includes the original charter and all
10 amendments thereto and articles of merger or consolidation.

11 "Commissioner" means the Commissioner of Banks and Real
12 Estate or a person authorized by the Commissioner, the Office
13 of Banks and Real Estate Act, or this Act to act in the
14 Commissioner's stead.

15 "Commonly owned banks" means 2 or more banks that each
16 qualify as a bank subsidiary of the same bank holding company
17 pursuant to Section 18 of the Federal Deposit Insurance Act;
18 "commonly owned bank" refers to one of a group of commonly
19 owned banks but only with respect to one or more of the other
20 banks in the same group.

21 "Community" means a city, village, or incorporated town
22 and also includes the area served by the banking offices of a
23 bank, but need not be limited or expanded to conform to the
24 geographic boundaries of units of local government in--this
25 State.

26 "Company" means a corporation, limited liability company,
27 partnership, business trust, association, or similar
28 organization and, unless specifically excluded, includes a
29 "State bank" and a "bank".

30 "Consolidating bank" means a party to a consolidation.

31 "Consolidation" takes place when 2 or more banks, or a
32 trust company and a bank, are extinguished and by the same
33 process a new bank is created, taking over the assets and
34 assuming the liabilities of the banks or trust company

1 passing out of existence.

2 "Continuing bank" means a merging bank, the charter of
3 which becomes the charter of the resulting bank.

4 "Converting bank" means a State bank converting to become
5 a national bank, or a national bank converting to become a
6 State bank.

7 "Converting trust company" means a trust company
8 converting to become a State bank.

9 "Court" means a court of competent jurisdiction.

10 "Eligible depository institution" means an insured
11 savings association that is in default, an insured savings
12 association that is in danger of default, a State or national
13 bank that is in default or a State or national bank that is
14 in danger of default, as those terms are defined in this
15 Section, or a new bank as that term defined in Section 11(m)
16 of the Federal Deposit Insurance Act or a bridge bank as that
17 term is defined in Section 11(n) of the Federal Deposit
18 Insurance Act or a new federal savings association authorized
19 under Section 11(d)(2)(f) of the Federal Deposit Insurance
20 Act.

21 "Fiduciary" means trustee, agent, executor,
22 administrator, committee, guardian for a minor or for a
23 person under legal disability, receiver, trustee in
24 bankruptcy, assignee for creditors, or any holder of similar
25 position of trust.

26 "Financial institution" means a bank, savings and loan
27 association, credit union, or any licensee under the Consumer
28 Installment Loan Act or the Sales Finance Agency Act and, for
29 purposes of Section 48.3, any proprietary network, funds
30 transfer corporation, or other entity providing electronic
31 funds transfer services, or any corporate fiduciary, its
32 subsidiaries, affiliates, parent company, or contractual
33 service provider that is examined by the Commissioner.

34 "Foundation" means the Illinois Bank Examiners' Education

1 Foundation.

2 "General obligation" means a bond, note, debenture,
3 security, or other instrument evidencing an obligation of the
4 government entity that is the issuer that is supported by the
5 full available resources of the issuer, the principal and
6 interest of which is payable in whole or in part by taxation.

7 "Guarantee" means an undertaking or promise to answer for
8 payment of another's debt or performance of another's duty,
9 liability, or obligation whether "payment guaranteed" or
10 "collection guaranteed".

11 "In danger of default" means a State or national bank, a
12 federally chartered insured savings association or an
13 Illinois state chartered insured savings association with
14 respect to which the Commissioner or the appropriate federal
15 banking agency has advised the Federal Deposit Insurance
16 Corporation that:

17 (1) in the opinion of the Commissioner or the
18 appropriate federal banking agency,

19 (A) the State or national bank or insured
20 savings association is not likely to be able to meet
21 the demands of the State or national bank's or
22 savings association's obligations in the normal
23 course of business; and

24 (B) there is no reasonable prospect that the
25 State or national bank or insured savings
26 association will be able to meet those demands or
27 pay those obligations without federal assistance; or

28 (2) in the opinion of the Commissioner or the
29 appropriate federal banking agency,

30 (A) the State or national bank or insured
31 savings association has incurred or is likely to
32 incur losses that will deplete all or substantially
33 all of its capital; and

34 (B) there is no reasonable prospect that the

1 capital of the State or national bank or insured
2 savings association will be replenished without
3 federal assistance.

4 "In default" means, with respect to a State or national
5 bank or an insured savings association, any adjudication or
6 other official determination by any court of competent
7 jurisdiction, the Commissioner, the appropriate federal
8 banking agency, or other public authority pursuant to which a
9 conservator, receiver, or other legal custodian is appointed
10 for a State or national bank or an insured savings
11 association.

12 "Insured savings association" means any federal savings
13 association chartered under Section 5 of the federal Home
14 Owners' Loan Act and any State savings association chartered
15 under the Illinois Savings and Loan Act of 1985 or a
16 predecessor Illinois statute, the deposits of which are
17 insured by the Federal Deposit Insurance Corporation. The
18 term also includes a savings bank organized or operating
19 under the Savings Bank Act.

20 "Insured savings association in recovery" means an
21 insured savings association that is not an eligible
22 depository institution and that does not meet the minimum
23 capital requirements applicable with respect to the insured
24 savings association.

25 "Issuer" means for purposes of Section 33 every person
26 who shall have issued or proposed to issue any security;
27 except that (1) with respect to certificates of deposit,
28 voting trust certificates, collateral-trust certificates, and
29 certificates of interest or shares in an unincorporated
30 investment trust not having a board of directors (or persons
31 performing similar functions), "issuer" means the person or
32 persons performing the acts and assuming the duties of
33 depositor or manager pursuant to the provisions of the trust,
34 agreement, or instrument under which the securities are

1 issued; (2) with respect to trusts other than those specified
2 in clause (1) above, where the trustee is a corporation
3 authorized to accept and execute trusts, "issuer" means the
4 entrusters, depositors, or creators of the trust and any
5 manager or committee charged with the general direction of
6 the affairs of the trust pursuant to the provisions of the
7 agreement or instrument creating the trust; and (3) with
8 respect to equipment trust certificates or like securities,
9 "issuer" means the person to whom the equipment or property
10 is or is to be leased or conditionally sold.

11 "Letter of credit" and "customer" shall have the meanings
12 ascribed to those terms in Section 5-102 of the Uniform
13 Commercial Code.

14 "Main banking premises" means the location that is
15 designated in a bank's charter as its main office.

16 "Maker or obligor" means for purposes of Section 33 the
17 issuer of a security, the promisor in a debenture or other
18 debt security, or the mortgagor or grantor of a trust deed or
19 similar conveyance of a security interest in real or personal
20 property.

21 "Merged bank" means a merging bank that is not the
22 continuing, resulting, or surviving bank in a consolidation
23 or merger.

24 "Merger" includes consolidation.

25 "Merging bank" means a party to a bank merger.

26 "Merging trust company" means a trust company party to a
27 merger with a State bank.

28 "Mid-tier bank holding company" means a corporation that
29 (a) owns 100% of the issued and outstanding shares of each
30 class of stock of a State bank, (b) has no other
31 subsidiaries, and (c) 100% of the issued and outstanding
32 shares of the corporation are owned by a parent bank holding
33 company.

34 "Municipality" means any municipality, political

1 subdivision, school district, taxing district, or agency.

2 "National bank" means a national banking association
3 located in this State and after May 31, 1997, means a
4 national banking association without regard to its location.

5 "Out-of-state bank" means a bank chartered under the laws
6 of a state other than Illinois, a territory of the United
7 States, or the District of Columbia.

8 "Parent bank holding company" means a corporation that is
9 a bank holding company as that term is defined in the
10 Illinois Bank Holding Company Act of 1957 and owns 100% of
11 the issued and outstanding shares of a mid-tier bank holding
12 company.

13 "Person" means an individual, corporation, limited
14 liability company, partnership, joint venture, trust, estate,
15 or unincorporated association.

16 "Public agency" means the State of Illinois, the various
17 counties, townships, cities, towns, villages, school
18 districts, educational service regions, special road
19 districts, public water supply districts, fire protection
20 districts, drainage districts, levee districts, sewer
21 districts, housing authorities, the Illinois Bank Examiners'
22 Education Foundation, the Chicago Park District, and all
23 other political corporations or subdivisions of the State of
24 Illinois, whether now or hereafter created, whether herein
25 specifically mentioned or not, and shall also include any
26 other state or any political corporation or subdivision of
27 another state.

28 "Public funds" or "public money" means current operating
29 funds, special funds, interest and sinking funds, and funds
30 of any kind or character belonging to, in the custody of, or
31 subject to the control or regulation of the United States or
32 a public agency. "Public funds" or "public money" shall
33 include funds held by any of the officers, agents, or
34 employees of the United States or of a public agency in the

1 course of their official duties and, with respect to public
2 money of the United States, shall include Postal Savings
3 funds.

4 "Published" means, unless the context requires otherwise,
5 the publishing of the notice or instrument referred to in
6 some newspaper of general circulation in the community in
7 which the bank is located at least once each week for 3
8 successive weeks. Publishing shall be accomplished by, and
9 at the expense of, the bank required to publish. Where
10 publishing is required, the bank shall submit to the
11 Commissioner that evidence of the publication as the
12 Commissioner shall deem appropriate.

13 "Qualified financial contract" means any security
14 contract, commodity contract, forward contract, including
15 spot and forward foreign exchange contracts, repurchase
16 agreement, swap agreement, and any similar agreement, any
17 option to enter into any such agreement, including any
18 combination of the foregoing, and any master agreement for
19 such agreements. A master agreement, together with all
20 supplements thereto, shall be treated as one qualified
21 financial contract. The contract, option, agreement, or
22 combination of contracts, options, or agreements shall be
23 reflected upon the books, accounts, or records of the bank,
24 or a party to the contract shall provide documentary evidence
25 of such agreement.

26 "Recorded" means the filing or recording of the notice or
27 instrument referred to in the office of the Recorder of the
28 county wherein the bank is located.

29 "Resulting bank" means the bank resulting from a merger
30 or conversion.

31 "Securities" means stocks, bonds, debentures, notes, or
32 other similar obligations.

33 "Stand-by letter of credit" means a letter of credit
34 under which drafts are payable upon the condition the

1 customer has defaulted in performance of a duty, liability,
2 or obligation.

3 "State bank" means any banking corporation that has a
4 banking charter issued by the Commissioner under this Act.

5 "State Banking Board" means the State Banking Board of
6 Illinois.

7 "Subsidiary" with respect to a specified company means a
8 company that is controlled by the specified company. For
9 purposes of paragraphs (8) and (12) of Section 5 of this Act,
10 "control" means the exercise of operational or managerial
11 control of a corporation by the bank, either alone or
12 together with other affiliates of the bank.

13 "Surplus" means the aggregate of (i) amounts paid in
14 excess of the par value of capital stock and preferred stock;
15 (ii) amounts contributed other than for capital stock and
16 preferred stock and allocated to the surplus account; and
17 (iii) amounts transferred from undivided profits.

18 "Tier 1 Capital" and "Tier 2 Capital" have the meanings
19 assigned to those terms in regulations promulgated for the
20 appropriate federal banking agency of a state bank, as those
21 regulations are now or hereafter amended.

22 "Trust company" means a limited liability company or
23 corporation incorporated in this State for the purpose of
24 accepting and executing trusts.

25 "Undivided profits" means undistributed earnings less
26 discretionary transfers to surplus.

27 "Unimpaired capital and unimpaired surplus", for the
28 purposes of paragraph (21) of Section 5 and Sections 32, 33,
29 34, 35.1, 35.2, and 47 of this Act means the sum of the state
30 bank's Tier 1 Capital and Tier 2 Capital plus such other
31 shareholder equity as may be included by regulation of the
32 Commissioner. Unimpaired capital and unimpaired surplus
33 shall be calculated on the basis of the date of the last
34 quarterly call report filed with the Commissioner preceding

1 the date of the transaction for which the calculation is
2 made, provided that: (i) when a material event occurs after
3 the date of the last quarterly call report filed with the
4 Commissioner that reduces or increases the bank's unimpaired
5 capital and unimpaired surplus by 10% or more, then the
6 unimpaired capital and unimpaired surplus shall be calculated
7 from the date of the material event for a transaction
8 conducted after the date of the material event; and (ii) if
9 the Commissioner determines for safety and soundness reasons
10 that a state bank should calculate unimpaired capital and
11 unimpaired surplus more frequently than provided by this
12 paragraph, the Commissioner may by written notice direct the
13 bank to calculate unimpaired capital and unimpaired surplus
14 at a more frequent interval. In the case of a state bank
15 newly chartered under Section 13 or a state bank resulting
16 from a merger, consolidation, or conversion under Sections 21
17 through 26 for which no preceding quarterly call report has
18 been filed with the Commissioner, unimpaired capital and
19 unimpaired surplus shall be calculated for the first calendar
20 quarter on the basis of the effective date of the charter,
21 merger, consolidation, or conversion.

22 (Source: P.A. 89-208, eff. 9-29-95; 89-364, eff. 8-18-95;
23 89-508, eff. 7-3-96; 89-534, eff. 1-1-97; 89-567, eff.
24 7-26-96; 89-626, eff. 8-9-96; 90-14, eff. 7-1-97; 90-301,
25 eff. 8-1-97.)

26 (205 ILCS 5/4.9 new)

27 Sec. 4.9. Limitations on powers. Notwithstanding any
28 other provision of law to the contrary, the Commissioner may
29 specify the powers of banks generally or of a particular bank
30 and by rule or order limit or restrict the powers of banks or
31 of a particular bank if the Commissioner finds the exercise
32 of those powers by banks generally or by a particular bank
33 may tend to be an unsafe or unsound practice or is otherwise

1 not in the interest of depositors or consumers of the bank.

2 (205 ILCS 5/5) (from Ch. 17, par. 311)

3 Sec. 5. General corporate powers. A bank organized
4 under this Act or subject hereto shall be a body corporate
5 and politic and shall, without specific mention thereof in
6 the charter, have all the powers conferred by this Act and
7 the following additional general corporate powers:

8 (1) To sue and be sued, complain, and defend in its
9 corporate name.

10 (2) To have a corporate seal, which may be altered at
11 pleasure, and to use the same by causing it or a facsimile
12 thereof to be impressed or affixed or in any manner
13 reproduced, provided that the affixing of a corporate seal to
14 an instrument shall not give the instrument additional force
15 or effect, or change the construction thereof, and the use of
16 a corporate seal is not mandatory.

17 (3) To make, alter, amend, and repeal bylaws, not
18 inconsistent with its charter or with law, for the
19 administration of the affairs of the bank. If this Act does
20 not provide specific guidance in matters of corporate
21 governance, the provisions of the Business Corporation Act of
22 1983 may be used if so provided in the bylaws.

23 (4) To elect or appoint and remove officers and agents
24 of the bank and define their duties and fix their
25 compensation.

26 (5) To adopt and operate reasonable bonus plans,
27 profit-sharing plans, stock-bonus plans, stock-option plans,
28 pension plans and similar incentive plans for its directors,
29 officers and employees.

30 (5.1) To manage, operate and administer a fund for the
31 investment of funds by a public agency or agencies, including
32 any unit of local government or school district, or any
33 person. The fund for a public agency shall invest in the

1 same type of investments and be subject to the same
2 limitations provided for the investment of public funds. The
3 fund for public agencies shall maintain a separate ledger
4 showing the amount of investment for each public agency in
5 the fund. "Public funds" and "public agency" as used in this
6 Section shall have the meanings ascribed to them in Section 1
7 of the Public Funds Investment Act.

8 (6) To make reasonable donations for the public welfare
9 or for charitable, scientific, religious or educational
10 purposes.

11 (7) To borrow or incur an obligation; and to pledge its
12 assets:

13 (a) to secure its borrowings, its lease of personal
14 or real property or its other nondeposit obligations;

15 (b) to enable it to act as agent for the sale of
16 obligations of the United States;

17 (c) to secure deposits of public money of the
18 United States, whenever required by the laws of the
19 United States, including without being limited to,
20 revenues and funds the deposit of which is subject to the
21 control or regulation of the United States or any of its
22 officers, agents, or employees and Postal Savings funds;

23 (d) to secure deposits of public money of any state
24 or of any political corporation or subdivision thereof
25 including, without being limited to, revenues and funds
26 the deposit of which is subject to the control or
27 regulation of any state or of any political corporation
28 or subdivisions thereof or of any of their officers,
29 agents, or employees;

30 (e) to secure deposits of money whenever required
31 by the National Bankruptcy Act;

32 (f) (blank); and

33 (g) to secure trust funds commingled with the
34 bank's funds, whether deposited by the bank or an

1 affiliate of the bank, pursuant to Section 2-8 of the
2 Corporate Fiduciary Act.

3 (8) To own, possess, and carry as assets all or part of
4 the real estate necessary in or with which to do its banking
5 business, either directly or indirectly through the ownership
6 of all or part of the capital stock, shares or interests in
7 any corporation, association, trust engaged in holding any
8 part or parts or all of the bank premises, engaged in such
9 business and in conducting a safe deposit business in the
10 premises or part of them, or engaged in any activity that the
11 bank is permitted to conduct in a subsidiary pursuant to
12 paragraph (12) of this Section 5.

13 (9) To own, possess, and carry as assets other real
14 estate to which it may obtain title in the collection of its
15 debts or that was formerly used as a part of the bank
16 premises, but title to any real estate except as herein
17 permitted shall not be retained by the bank, either directly
18 or by or through a subsidiary, as permitted by subsection
19 (12) of this Section for a total period of more than 10 years
20 after acquiring title, either directly or indirectly.

21 (10) To do any act, including the acquisition of stock,
22 necessary to obtain insurance of its deposits, or part
23 thereof, and any act necessary to obtain a guaranty, in whole
24 or in part, of any of its loans or investments by the United
25 States or any agency thereof, and any act necessary to sell
26 or otherwise dispose of any of its loans or investments to
27 the United States or any agency thereof, and to acquire and
28 hold membership in the Federal Reserve System.

29 (11) Notwithstanding any other provisions of this Act or
30 any other law, to do any act and to own, possess, and carry
31 as assets property of the character, including stock, that is
32 at the time authorized or permitted to national banks by an
33 Act of Congress, but subject always to the same limitations
34 and restrictions as are applicable to national banks by the

1 pertinent federal law and subject to applicable provisions of
2 the Financial Institutions Insurance Sales Law.

3 (12) To own, possess, and carry as assets stock of one
4 or more corporations that is, or are, engaged in one or more
5 of the following businesses:

6 (a) holding title to and administering assets
7 acquired as a result of the collection or liquidating of
8 loans, investments, or discounts; or

9 (b) holding title to and administering personal
10 property acquired by the bank, directly or indirectly
11 through a subsidiary, for the purpose of leasing to
12 others, provided the lease or leases and the investment
13 of the bank, directly or through a subsidiary, in that
14 personal property otherwise comply with Section 35.1 of
15 this Act; or

16 (c) carrying on or administering any of the
17 activities excepting the receipt of deposits or the
18 payment of checks or other orders for the payment of
19 money in which a bank may engage in carrying on its
20 general banking business; provided, however, that nothing
21 contained in this paragraph (c) shall be deemed to permit
22 a bank organized under this Act or subject hereto to do,
23 either directly or indirectly through any subsidiary, any
24 act, including the making of any loan or investment, or
25 to own, possess, or carry as assets any property that if
26 done by or owned, possessed, or carried by the State bank
27 would be in violation of or prohibited by any provision
28 of this Act.

29 The provisions of this subsection (12) shall not apply to
30 and shall not be deemed to limit the powers of a State bank
31 with respect to the ownership, possession, and carrying of
32 stock that a State bank is permitted to own, possess, or
33 carry under this Act.

34 Any bank intending to establish a subsidiary under this

1 subsection (12) shall give written notice to the Commissioner
2 60 days prior to the subsidiary's commencing of business or,
3 as the case may be, prior to acquiring stock in a corporation
4 that has already commenced business. After receiving the
5 notice, the Commissioner may waive or reduce the balance of
6 the 60 day notice period. The Commissioner may specify the
7 form of the notice and may promulgate rules and regulations
8 to administer this subsection (12).

9 (13) To accept for payment at a future date not
10 exceeding one year from the date of acceptance, drafts drawn
11 upon it by its customers; and to issue, advise, or confirm
12 letters of credit authorizing the holders thereof to draw
13 drafts upon it or its correspondents.

14 (14) To own and lease personal property acquired by the
15 bank at the request of a prospective lessee and upon the
16 agreement of that person to lease the personal property
17 provided that the lease, the agreement with respect thereto,
18 and the amount of the investment of the bank in the property
19 comply with Section 35.1 of this Act.

20 (15) (a) To establish and maintain, in addition to the
21 main banking premises, branches offering any banking
22 services permitted at the main banking premises of a
23 State bank.

24 (b) To establish and maintain, after May 31, 1997,
25 branches in another state that may conduct any activity
26 in that state that is authorized or permitted for any
27 bank that has a banking charter issued by that state,
28 subject to the same limitations and restrictions that are
29 applicable to banks chartered by that state.

30 (16) (Blank).

31 (17) To establish and maintain terminals, as authorized
32 by the Electronic Fund Transfer Act.

33 (18) To establish and maintain temporary service booths
34 at any International Fair held in this State which is

1 approved by the United States Department of Commerce, for the
2 duration of the international fair for the sole purpose of
3 providing a convenient place for foreign trade customers at
4 the fair to exchange their home countries' currency into
5 United States currency or the converse. This power shall not
6 be construed as establishing a new place or change of
7 location for the bank providing the service booth.

8 (19) To indemnify its officers, directors, employees,
9 and agents, as authorized for corporations under Section 8.75
10 of the Business Corporation Act of 1983.

11 (20) To own, possess, and carry as assets stock of, or
12 be or become a member of, any corporation, mutual company,
13 association, trust, or other entity formed exclusively for
14 the purpose of providing directors' and officers' liability
15 and bankers' blanket bond insurance or reinsurance to and for
16 the benefit of the stockholders, members, or beneficiaries,
17 or their assets or businesses, or their officers, directors,
18 employees, or agents, and not to or for the benefit of any
19 other person or entity or the public generally.

20 (21) To make debt or equity investments in corporations
21 or projects, whether for profit or not for profit, designed
22 to promote the development of the community and its welfare,
23 provided that the aggregate investment in all of these
24 corporations and in all of these projects does not exceed 10%
25 of the unimpaired capital and unimpaired surplus of the bank
26 and provided that this limitation shall not apply to
27 creditworthy loans by the bank to those corporations or
28 projects. Upon written application to the Commissioner, a
29 bank may make an investment that would, when aggregated with
30 all other such investments, exceed 10% of the unimpaired
31 capital and unimpaired surplus of the bank. The Commissioner
32 may approve the investment if he is of the opinion and finds
33 that the proposed investment will not have a material adverse
34 effect on the safety and soundness of the bank.

1 (22) To own, possess, and carry as assets the stock of a
2 corporation engaged in the ownership or operation of a travel
3 agency or to operate a travel agency as a part of its
4 business, ~~provided that the bank either owned, possessed, and~~
5 ~~carried as assets the stock of such a corporation or operated~~
6 ~~a travel agency as part of its business before July 1, 1991.~~

7 (23) With respect to affiliate facilities:

8 (a) to conduct at affiliate facilities for and on
9 behalf of another commonly owned bank, if so authorized
10 by the other bank, all transactions that the other bank
11 is authorized or permitted to perform; and

12 (b) to authorize a commonly owned bank to conduct
13 for and on behalf of it any of the transactions it is
14 authorized or permitted to perform at one or more
15 affiliate facilities.

16 Any bank intending to conduct or to authorize a commonly
17 owned bank to conduct at an affiliate facility any of the
18 transactions specified in this paragraph (23) shall give
19 written notice to the Commissioner at least 30 days before
20 any such transaction is conducted at the affiliate facility.

21 (24) To act as the agent for any fire, life, or other
22 insurance company authorized by the State of Illinois, by
23 soliciting and selling insurance and collecting premiums on
24 policies issued by such company; and to receive for services
25 so rendered such fees or commissions as may be agreed upon
26 between the bank and the insurance company for which it may
27 act as agent; provided, however, that no such bank shall in
28 any case assume or guarantee the payment of any premium on
29 insurance policies issued through its agency by its
30 principal; and provided further, that the bank shall not
31 guarantee the truth of any statement made by an assured in
32 filing his application for insurance.

33 (25) Notwithstanding any other provisions of this Act or
34 any other law, to offer any product or service that is at the

1 time authorized or permitted to any insured savings
2 association or out-of-state bank by applicable law, provided
3 that powers conferred only by this subsection (25):

4 (a) shall always be subject to the same limitations
5 and restrictions that are applicable to the insured
6 savings association or out-of-state bank for the product
7 or service by such applicable law;

8 (b) shall be subject to applicable provisions of
9 the Financial Institutions Insurance Sales Law;

10 (c) shall not include the right to own or conduct a
11 real estate brokerage business for which a license would
12 be required under the laws of this State; and

13 (d) shall not be construed to include the
14 establishment or maintenance of a branch, nor shall they
15 be construed to limit the establishment or maintenance of
16 a branch pursuant to subsection (11).

17 (Source: P.A. 90-41, eff. 10-1-97; 90-301, eff. 8-1-97;
18 90-655, eff. 7-30-98; 90-665, eff. 7-30-98; 91-330, eff.
19 7-29-99; 91-849, eff. 6-22-00.)

20 (205 ILCS 5/5b) (from Ch. 17, par. 312.1)

21 Sec. 5b. Deposits in outside depository.

22 (a) Except as provided in subsection (b), every bank is
23 liable for deposits made in an outside depository from the
24 time the deposit is made.

25 (b) A bank may adopt a policy that its liability for
26 deposits made in outside depositories will be delayed until
27 the deposits are recorded, and, if such a policy is adopted
28 and depositors are notified in writing at least 21 days in
29 advance of the effective date of such policy, the bank's
30 liability will be delayed in accordance with the policy. In
31 case of deposit accounts opened after such a policy is
32 adopted, the policy shall be effective if the depositor is
33 given written notice of the policy at the time the deposit

1 account is opened.

2 (c) For the purposes of this Section "outside
3 depository" means any receptacle attached to a main banking
4 premise, or branch, as allowed in subsection (15) of Section
5 of this Act, or other location for the purpose of making
6 deposits either during or after regular banking hours, but
7 does not include an automatic teller machine or point of sale
8 terminal, as defined in the Electronic Fund Transfer Act.

9 (Source: P.A. 88-273; 89-310, eff. 1-1-96.)

10 (205 ILCS 5/7) (from Ch. 17, par. 314)

11 Sec. 7. Organization capital requirements. A bank may be
12 organized to exercise the powers conferred by this Act with
13 minimum capital and surplus as determined by the
14 Commissioner. ~~The---Commissioner---shall---record---such
15 organization---capital---requirements---in---the---Office---of---the
16 Secretary-of-State.~~

17 (Source: P.A. 90-301, eff. 8-1-97.)

18 (205 ILCS 5/8) (from Ch. 17, par. 315)

19 Sec. 8. Incorporators. A State bank may be organized on
20 application by 5 or more incorporators who shall be
21 individuals except that a bank holding company may be the
22 sole incorporator of a State bank. ~~Each--incorporator--shall
23 undertake--to--subscribe--and--pay--in--full--in--cash--for--stock
24 having-a-value-of-not-less-than-one-per-cent-of--the--minimum
25 capital--and--surplus-requirements-as-set-forth-in-Section-7,
26 except-that-incorporators-of-a-State-bank-that-will-be--owned
27 by--a--bank--holding-company-may-subscribe-and-pay-in-full-in
28 cash-for-stock-of-the-bank-holding-company,-provided-that-the
29 incorporator's-investment-in-the-bank-holding-company-must-at
30 least-equal-the-amount-of-money-that-would-have--been--needed
31 for--the--incorporator--to-acquire-shares-of-the-bank's-stock
32 pursuant-to-this-Section.~~

1 (Source: P.A. 90-301, eff. 8-1-97.)

2 (205 ILCS 5/10) (from Ch. 17, par. 317)

3 Sec. 10. Permit to organize.

4 (a) Upon the filing of an application for a permit to
5 organize, the Commissioner shall investigate the truth of the
6 statements therein and shall consider the proposed bank's
7 capital structure, its future earnings prospects, the general
8 character, experience, and qualifications of its proposed
9 management, its proposed plan of operation, and the
10 convenience and needs of the area sought to be served, and
11 notwithstanding the provisions of Section 7 of this Act, the
12 Commissioner shall not approve the application and issue a
13 permit to organize unless he shall be of the opinion and
14 finds:

15 (1) that the proposed capital at least meets the
16 minimum requirements of this Act determined by the
17 Commissioner pursuant to Section 7 of this Act including
18 additional capital necessitated by the circumstances of
19 the proposed bank including its size, scope of
20 operations and market in which it proposes to operate;

21 (2) that the future earnings prospects are
22 favorable;

23 (3) that the general character, experience, and
24 qualifications of its proposed management and its
25 proposed plan of operation are such as to assure
26 reasonable promise of successful, safe and sound
27 operation;

28 (4) that the name of the proposed bank is not the
29 same as or deceptively similar to a name reserved with
30 the Commissioner's office under Section 9.5 or to the
31 name of any other bank then operating in this State; and

32 (5) that the convenience and needs of the area
33 sought to be served by the proposed bank will be

1 promoted.

2 (b) The Commissioner shall revoke the permit to organize
3 and order liquidation of any funds collected in the event
4 that the organizers do not obtain a charter from the
5 Commissioner authorizing the bank to commence business within
6 6 months from the date of the issuance of the permit, unless
7 a request has been submitted, in writing, to the Commissioner
8 for an extension and the request has been approved.

9 (c) The Commissioner may impose such terms and
10 conditions, if any, on the issuance of the permit to organize
11 as the Commissioner deems appropriate and necessary for the
12 organization of the bank.

13 (Source: P.A. 90-665, eff. 7-30-98; 91-452, eff. 1-1-00.)

14 (205 ILCS 5/12) (from Ch. 17, par. 319)
15 Sec. 12. Organization.

16 (a) The directors so elected shall may proceed to
17 organize in conformity with this Act and as follows:

- 18 (1) To qualify themselves as directors.
- 19 (2) To elect one of their number as president.
- 20 (3) To make and adopt by-laws not inconsistent with
- 21 its charter or with law for the administration of the
- 22 affairs of the bank.
- 23 (4) To appoint such officers as the by-laws may
- 24 provide, and fix the salaries of all officers.
- 25 (5) To furnish to the Commissioner lists of the
- 26 stockholders and copies of any other records the
- 27 Commissioner may require.
- 28 (6) To collect the subscriptions to the capital
- 29 stock and to the preferred stock, if any, including the
- 30 surplus and the reserves for operating expenses.

31 (6.5) To notify the Commissioner of any significant
32 deviation or change from the original plan of operation
33 or proposed business activities submitted with the

1 application for a permit to organize.

2 (7) To report the organization to the Commissioner.

3 (b) Subscriptions to the capital stock and to the
4 preferred stock, if any, collected pursuant to item (6) of
5 subsection (a) of this Section must be placed in escrow.
6 Funds may not be withdrawn from the escrow until (1) the
7 charter authorizing the bank to commence a banking business
8 has been issued under Section 13 or (2) the directors submit
9 a written request to withdraw a specified amount of funds and
10 the Commissioner grants a written approval for the
11 withdrawal.

12 (Source: P.A. 85-204.)

13 (205 ILCS 5/13) (from Ch. 17, par. 320)

14 Sec. 13. Issuance of charter.

15 (a) When the directors have organized as provided in
16 Section 12 of this Act, and the capital stock and the
17 preferred stock, if any, together with a surplus of not less
18 than 50% of the capital, has been all fully paid in and a
19 record of the same filed with the Commissioner, the
20 Commissioner or some competent person of the Commissioner's
21 appointment shall make a thorough examination into the
22 affairs of the proposed bank, and if satisfied (i) that all
23 the requirements of this Act have been complied with, (ii)
24 that no intervening circumstance has occurred to change the
25 Commissioner's findings made pursuant to Section 10 of this
26 Act, and (iii) that the prior involvement by any stockholder
27 who will own a sufficient amount of stock to have control, as
28 defined in Section 18 of this Act, of the proposed bank with
29 any other financial institution, whether as stockholder,
30 director, officer, or customer, was conducted in a safe and
31 sound manner, upon payment into the Commissioner's office of
32 the reasonable expenses of the examination, as determined by
33 the Commissioner, the Commissioner shall issue a charter

1 authorizing the bank to commence business as authorized in
2 this Act. All charters issued by the Commissioner or any
3 predecessor agency which chartered State banks, including any
4 charter outstanding as of September 1, 1989, shall be
5 perpetual. For the 2 years after the Commissioner has issued
6 a charter to a bank, the bank shall request and obtain from
7 the Commissioner prior written approval before it may change
8 senior management personnel or directors.

9 The original charter, duly certified by the Commissioner,
10 or a certified copy shall be evidence in all courts and
11 places of the existence and authority of the bank to do
12 business. Upon the issuance of the charter by the
13 Commissioner, the bank shall be deemed fully organized and
14 may proceed to do business. The Commissioner may, in the
15 Commissioner's discretion, withhold the issuing of the
16 charter when the Commissioner has reason to believe that the
17 bank is organized for any purpose other than that
18 contemplated by this Act ~~or that a commission or fee has been~~
19 ~~paid in connection with the sale of the stock of the bank.~~
20 The Commissioner shall revoke the charter and order
21 liquidation in the event that the bank does not commence a
22 general banking business within one year from the date of the
23 issuance of the charter, unless a request has been submitted,
24 in writing, to the Commissioner for an extension and the
25 request has been approved. After commencing a general
26 banking business, a bank may change its name by filing
27 written notice with the Commissioner at least 30 days prior
28 to the effective date of such change. A bank chartered under
29 this Act may change its main banking premises by filing
30 written application with the Commissioner, on forms
31 prescribed by the Commissioner, provided (i) the change shall
32 not be a removal to a new location without complying with the
33 capital requirements of Section 7 and of subsection (1) of
34 Section 10 of this Act; (ii) the Commissioner approves the

1 relocation or change; and (iii) the bank complies with any
2 applicable federal law or regulation. The application shall
3 be deemed to be approved if the Commissioner has not acted on
4 the application within 30 days after receipt of the
5 application, unless within the 30-day time frame the
6 Commissioner informs the bank that an extension of time is
7 necessary prior to the Commissioner's action on the
8 application.

9 (b) (1) The Commissioner may also issue a charter to a
10 bank that is owned exclusively by other depository
11 institutions or depository institution holding companies and
12 is organized to engage exclusively in providing services to
13 or for other depository institutions, their holding
14 companies, and the officers, directors, and employees of such
15 institutions and companies, and in providing correspondent
16 banking services at the request of other depository
17 institutions or their holding companies (also referred to as
18 a "bankers' bank").

19 (2) A bank chartered pursuant to paragraph (1) shall,
20 except as otherwise specifically determined or limited by the
21 Commissioner in an order or pursuant to a rule, be vested
22 with the same rights and privileges and subject to the same
23 duties, restrictions, penalties, and liabilities now or
24 hereafter imposed under this Act.

25 (c) A bank chartered under this Act after November 1,
26 1985, and an out-of-state bank that merges with a State bank
27 and establishes or maintains a branch in this State after May
28 31, 1997, shall obtain from and, at all times while it
29 accepts or retains deposits, maintain with the Federal
30 Deposit Insurance Corporation, or such other instrumentality
31 of or corporation chartered by the United States, deposit
32 insurance as authorized under federal law.

33 (d) (i) A bank that has a banking charter issued by the
34 Commissioner under this Act may, pursuant to a written

1 purchase and assumption agreement, transfer substantially all
2 of its assets to another State bank or national bank in
3 consideration, in whole or in part, for the transferee banks'
4 assumption of any part or all of its liabilities. Such a
5 transfer shall in no way be deemed to impair the charter of
6 the transferor bank or cause the transferor bank to forfeit
7 any of its rights, powers, interests, franchises, or
8 privileges as a State bank, nor shall any voluntary reduction
9 in the transferor bank's activities resulting from the
10 transfer have any such effect; provided, however, that a
11 State bank that transfers substantially all of its assets
12 pursuant to this subsection (d) and following the transfer
13 does not accept deposits and make loans, shall not have any
14 rights, powers, interests, franchises, or privileges under
15 subsection (15) of Section 5 of this Act until the bank has
16 resumed accepting deposits and making loans.

17 (ii) The fact that a State bank does not resume
18 accepting deposits and making loans for a period of 24 months
19 commencing on September 11, 1989 or on a date of the transfer
20 of substantially all of a State bank's assets, whichever is
21 later, or such longer period as the Commissioner may allow in
22 writing, may be the basis for a finding by the Commissioner
23 under Section 51 of this Act that the bank is unable to
24 continue operations.

25 (iii) The authority provided by subdivision (i) of this
26 subsection (d) shall terminate on May 31, 1997, and no bank
27 that has transferred substantially all of its assets pursuant
28 to this subsection (d) shall continue in existence after May
29 31, 1997.

30 (Source: P.A. 90-14, eff. 7-1-97; 90-301, eff. 8-1-97;
31 90-665, eff. 7-30-98; 91-322, eff. 1-1-00.)

32 (205 ILCS 5/13.5)

33 Sec. 13.5. Formation and merger of interim banks.

1 (a) An interim bank may be chartered as a State bank for
2 the exclusive purpose of accomplishing a corporate
3 restructuring through merger with an existing State bank or
4 as the resulting bank in a merger with an existing national
5 bank or an insured savings association. An interim bank
6 shall be chartered and merged pursuant to the provisions of
7 this Section. The interim bank shall not accept deposits,
8 make loans, pay checks, or engage in the general banking
9 business or any part thereof, and shall not be subject to the
10 provisions of this Act other than those set forth in this
11 Section; provided, however, that if the interim bank becomes
12 the resulting bank in a merger, such resulting bank shall
13 have all of the powers, rights, and duties of a State bank
14 and must comply with all applicable provisions of this Act.

15 (b) An interim State bank may be organized upon
16 application by 5 or more incorporators or by a bank holding
17 company. The application shall be made on forms prescribed
18 by the Commissioner which shall request, at a minimum, the
19 following information:

20 (1) the names and addresses of the incorporators;

21 (2) the proposed name and address of the interim
22 bank;

23 (3) the name and address of all banks with which
24 the interim bank will be merging;

25 (4) a copy of the merger agreement by which the
26 interim bank will be merged with the banks identified in
27 item (3) containing the same information required in
28 merger agreements pursuant to subsection (1) of Section
29 22 of this Act; and

30 (5) an acknowledgement that the interim bank shall
31 not engage in the general banking business or any part
32 thereof unless and until the interim bank becomes the
33 resulting bank in a merger.

34 (c) The merger agreement must be approved by all of the

1 incorporators of the interim bank and must be approved by the
2 existing State bank with which the interim bank will merge,
3 as required by Section 22 of this Act.

4 (d) Upon receipt of the application to organize the
5 interim bank and the merger agreement submitted pursuant to
6 this Section and Section 22 of this Act, the Commissioner may
7 issue a charter to the interim bank and approve the merger
8 agreement if the Commissioner makes the findings set forth in
9 subsection (3) of Section 22 of this Act. The interim bank's
10 charter shall not take effect until, and shall only be
11 effective for purposes of, the merger.

12 (e) Nothing in this Section affects the obligations of
13 an existing State bank with which the interim bank will
14 merge, or the rights of minority or dissenting shareholders
15 of the existing State bank, in connection with the approval,
16 execution, and accomplishment of a merger agreement as
17 provided elsewhere in this Act.

18 (Source: P.A. 90-301, eff. 8-1-97.)

19 (205 ILCS 5/14) (from Ch. 17, par. 321)

20 Sec. 14. Stock. Unless otherwise provided for in this
21 Act provisions of general application to stock of a state
22 bank shall be as follows:

23 (1) All banks shall have their capital divided into
24 shares of a par value of not less than ~~\$1 one-dollar~~ each and
25 not more than ~~\$100 one-hundred-dollars~~ each, however, the par
26 value of shares of a bank effecting a reverse stock split
27 pursuant to item (8) of subsection (a) of Section 17 may
28 temporarily exceed this limit provided it conforms to the
29 limits immediately after the reverse stock split is
30 completed. No issue of capital stock or preferred stock shall
31 be valid until not less than the par value of all such stock
32 so issued shall be paid in and notice thereof by the
33 president, a vice-president or cashier of the bank has been

1 transmitted to the Commissioner. In the case of an increase
2 in capital stock by the declaration of a stock dividend, the
3 capitalization of retained earnings effected by such stock
4 dividend shall constitute the payment for such shares
5 required by the preceding sentence, provided that the surplus
6 of said bank after such stock dividend shall be at least
7 equal to fifty per cent of the capital as increased. The
8 charter shall not limit or deny the voting power of the
9 shares of any class of stock except as provided in Section
10 15(3) of this Act.

11 (2) Pursuant to action taken in accordance with the
12 requirements of Section 17, a bank may issue preferred stock
13 of one or more classes as shall be approved by the
14 Commissioner as hereinafter provided, and make such amendment
15 to its charter as may be necessary for this purpose; but in
16 the case of any newly organized bank which has not yet issued
17 capital stock the requirements of Section 17 shall not apply.

18 (3) Without limiting the authority herein contained a
19 bank, when so provided in its charter and when approved by
20 the Commissioner, may issue shares of preferred stock:

21 (a) Subject to the right of the bank to redeem any
22 of such shares at not exceeding the price fixed by the
23 charter for the redemption thereof;

24 (b) Subject to the provisions of subsection (8) of
25 this Section 14 entitling the holders thereof to
26 cumulative or noncumulative dividends;

27 (c) Having preference over any other class or
28 classes of shares as to the payment of dividends;

29 (d) Having preference as to the assets of the bank
30 over any other class or classes of shares upon the
31 voluntary or involuntary liquidation of the bank;

32 (e) Convertible into shares of any other class of
33 stock, provided that preferred shares shall not be
34 converted into shares of a different par value unless

1 that part of the capital of the bank represented by such
2 preferred shares is at the time of the conversion equal
3 to the aggregate par value of the shares into which the
4 preferred shares are to be converted.

5 (4) If any part of the capital of a bank consists of
6 preferred stock, the determination of whether or not the
7 capital of such bank is impaired and the amount of such
8 impairment shall be based upon the par value of its stock
9 even though the amount which the holders of such preferred
10 stock shall be entitled to receive in the event of retirement
11 or liquidation shall be in excess of the par value of such
12 preferred stock.

13 (5) Pursuant to action taken in accordance with the
14 requirements of Section 17 of this Act, a state bank may
15 provide for a specified number of authorized but unissued
16 shares of capital stock for one or more of the following
17 purposes:

18 (a) Reserved for issuance under stock option plan
19 or plans to directors, officers or employees;

20 (b) Reserved for issuance upon conversion of
21 convertible preferred stock issued pursuant to and in
22 compliance with the provisions of subsections (2) and (3)
23 of this Section 14.

24 (c) Reserved for issuance upon conversion of
25 convertible debentures or other convertible evidences of
26 indebtedness issued by a state bank, provided always that
27 the terms of such conversion have been approved by the
28 Commissioner;

29 (d) Reserved for issuance by the declaration of a
30 stock dividend. If and when any shares of capital stock
31 are proposed to be authorized and reserved for any of the
32 purposes set forth in subparagraphs (a), (b) or (c)
33 above, the notice of the meeting, whether special or
34 annual, of stockholders at which such proposition is to

1 be considered shall be accompanied by a statement setting
2 forth or summarizing the terms upon which the shares of
3 capital stock so reserved are to be issued, and the
4 extent to which any preemptive rights of stockholders are
5 inapplicable to the issuance of the shares so reserved or
6 to the convertible preferred stock or convertible
7 debentures or other convertible evidences of
8 indebtedness, and the approving vote of the holders of at
9 least two-thirds of the outstanding shares of stock
10 entitled to vote at such meeting of the terms of such
11 issuance shall be requisite for the adoption of any
12 amendment providing for the reservation of authorized but
13 unissued shares for any of said purposes. Nothing in this
14 subsection (5) contained shall be deemed to authorize the
15 issuance of any capital stock for a consideration less
16 than the par value thereof.

17 (6) Upon written application to the Commissioner 60 days
18 prior to the proposed purchase and receipt of the written
19 approval of the Commissioner, a state bank may purchase and
20 hold as treasury stock such amounts of the total number of
21 issued and outstanding shares of its capital and preferred
22 stock outstanding as the Commissioner determines is
23 consistent with safety and soundness of the bank. The
24 Commissioner may specify the manner of accounting for the
25 treasury stock and the form of notice prior to ultimate
26 disposition of the shares. Except as authorized in this
27 subsection, it shall not be lawful for a state bank to
28 purchase or hold any additional such shares or securities
29 described in subsection (2) of Section 37 unless necessary to
30 prevent loss upon a debt previously contracted in good faith,
31 in which event such shares or securities so purchased or
32 acquired shall, within 6 months from the time of purchase or
33 acquisition, be sold or disposed of at public or private
34 sale. Any state bank which intends to purchase and hold

1 treasury stock as authorized in this subsection (6) shall
2 file a written application with the Commissioner 60 days
3 prior to any such proposed purchase. The application shall
4 state the number of shares to be purchased, the consideration
5 for the shares, the name and address of the person from whom
6 the shares are to be purchased, if known, and the total
7 percentage of its issued and outstanding shares to be held by
8 the bank after the purchase. The total consideration paid by
9 a state bank for treasury stock shall reduce capital and
10 surplus of the bank for purposes of Sections of this Act
11 relating to lending and investment limits which require
12 computation of capital and surplus. After considering and
13 approving an application to purchase and hold treasury stock
14 under this subsection, the Commissioner may waive or reduce
15 the balance of the 60 day application period. The
16 Commissioner may specify the form of the application for
17 approval to acquire treasury stock and promulgate rules and
18 regulations for the administration of this subsection (6). A
19 state bank may, acquire or resell its owns shares as treasury
20 stock pursuant to this subsection (6) without a change in its
21 charter pursuant to Section 17. Such stock may be held for
22 any purpose permitted in subsection (5) of this Section 14 or
23 may be resold upon such reasonable terms as the board of
24 directors may determine provided notice is given to the
25 Commissioner prior to the resale of such stock.

26 (7) During the time that a state bank shall continue its
27 banking business, it shall not withdraw or permit to be
28 withdrawn, either in the form of dividends or otherwise, any
29 portion of its capital, but nothing in this subsection shall
30 prevent a reduction or change of the capital stock or the
31 preferred stock under the provisions of Sections 17 through
32 30 of this Act, a purchase of treasury stock under the
33 provisions of subsection (6) of this Section 14 or a
34 redemption of preferred stock pursuant to charter provisions

1 therefor.

2 (8) (a) Subject to the provisions of this Act, the
3 board of directors of a state bank from time to time may
4 declare a dividend of so much of the net profits of such
5 bank as it shall judge expedient, but each bank before
6 the declaration of a dividend shall carry at least
7 one-tenth of its net profits since the date of the
8 declaration of the last preceding dividend, or since the
9 issuance of its charter in the case of its first
10 dividend, to its surplus until the same shall be equal to
11 its capital.

12 (b) No dividends shall be paid by a state bank
13 while it continues its banking business to an amount
14 greater than its net profits then on hand, deducting
15 first therefrom its losses and bad debts. All debts due
16 to a state bank on which interest is past due and unpaid
17 for a period of 6 months or more, unless the same are
18 well secured and in the process of collection, shall be
19 considered bad debts.

20 (9) A State bank may, but shall not be obliged to, issue
21 a certificate for a fractional share, and, by action of its
22 board of directors, may in lieu thereof, pay cash equal to
23 the value of the fractional share. A certificate for a
24 fractional share shall entitle the holder to exercise
25 fractional voting rights, to receive dividends, and to
26 participate in any of the assets of the bank in the event of
27 liquidation.

28 (Source: P.A. 90-160, eff. 7-23-97; 90-301, eff. 8-1-97;
29 90-655, eff. 7-30-98.)

30 (205 ILCS 5/15) (from Ch. 17, par. 322)

31 Sec. 15. Stock and stockholders. Unless otherwise
32 provided for in this Act, provisions of general application
33 to capital stock, preferred stock, and stockholders of a

1 State bank shall be as follows:

2 (1) There shall be an annual meeting of the stockholders
3 for the election of directors each year on the first business
4 day in January, unless some other date shall be fixed by the
5 by-laws. A special meeting of the stockholders may be called
6 at any time by the board of directors, and otherwise as may
7 be provided in the bylaws.

8 (2) Written or printed notice stating the place, day,
9 and hour of the meeting, and in case of a special meeting,
10 the purpose or purposes for which the meeting is called,
11 shall be delivered not less than 10 nor more than 40 days
12 before the date of the meeting either personally or by mail,
13 by or at the direction of the president, or the secretary, or
14 the officer or persons calling the meeting, to each
15 stockholder of record entitled to vote at the meeting. If
16 mailed, the notice shall be deemed to be delivered when
17 deposited in the United States mail with postage thereon
18 prepaid addressed to the stockholder at his address as it
19 appears on the records of the bank.

20 (3) Except as provided below in this paragraph (3), each
21 outstanding share shall be entitled to one vote on each
22 matter submitted to a vote at a meeting of stockholders.
23 Shares of its own stock belonging to a bank shall not be
24 voted, directly or indirectly, at any meeting and shall not
25 be counted in determining the total number of outstanding
26 shares at any given time, but shares of its own stock held by
27 it in a fiduciary capacity may be voted and shall be counted
28 in determining the total number of outstanding shares at any
29 given time. A stockholder may vote either in person or by
30 proxy executed in writing by the stockholder or by his duly
31 authorized attorney-in-fact. No proxy shall be valid after
32 11 months from the date of its execution, unless otherwise
33 provided in the proxy. Except as provided below in this
34 paragraph (3), in all elections for directors every

1 stockholder (or subscriber to the stock prior to the issuance
2 of a charter) shall have the right to vote, in person or by
3 proxy, for the number of shares of stock owned by him, for as
4 many persons as there are directors to be elected, or to
5 cumulate the shares and give one candidate as many votes as
6 the number of directors multiplied by the number of his or
7 her shares of stock shall equal, or to distribute them on the
8 same principle among as many candidates as he or she shall
9 think fit. The bank charter of any bank organized on or
10 after January 1, 1984 may limit or eliminate cumulative
11 voting rights in all or specified circumstances, or may
12 eliminate voting rights entirely, as to any class or classes
13 or series of stock of the bank; provided that one class of
14 shares or series thereof shall always have voting rights in
15 respect of all matters in the bank. A bank organized prior to
16 January 1, 1984 may amend its charter to eliminate cumulative
17 voting rights under all or specified circumstances, or to
18 eliminate voting rights entirely, as to any class or classes
19 or series of stock of the bank; provided that one class of
20 shares or series thereof shall always have voting rights in
21 respect of all matters in the bank, and provided further that
22 the proposal to eliminate the voting rights receives the
23 approval of the holders of 70% of the outstanding shares of
24 stock entitled to vote as provided in paragraph (b) (7) of
25 Section 17. A majority of the outstanding shares represented
26 in person or by proxy shall constitute a quorum at a meeting
27 of stockholders. In the absence of a quorum a meeting may be
28 adjourned from time to time without notice to the
29 stockholders.

30 (4) Whenever additional stock of a class is offered for
31 sale, stockholders of record of the same class on the date of
32 the offer shall have the right to subscribe to the proportion
33 of the shares as the stock of the class held by them bears to
34 the total of the outstanding stock of the class, and the

1 price thereof may be in excess of par value. This right
2 shall be transferable but shall terminate if not exercised
3 within 60 days of the offer, unless the Commissioner shall
4 authorize a shorter time. If the right is not exercised, the
5 stock shall not be re-offered for sale to others at a lower
6 price without the stockholders of the same class again being
7 accorded a preemptive right to subscribe at the lower price.
8 Notwithstanding any of the provisions of this paragraph (4)
9 or any other provision of law, stockholders shall not have
10 any preemptive or other right to subscribe for or to purchase
11 or acquire shares of capital stock issued or to be issued
12 under a stock-option plan or upon conversion of preferred
13 stock or convertible debentures or other convertible
14 indebtedness that has been approved by stockholders in the
15 manner required by the provisions of subsection (5) of
16 Section 14 hereof or to treasury stock acquired pursuant to
17 subsection (6) of Section 14.

18 (5) For the purpose of determining stockholders entitled
19 to notice of or to vote at any meeting of stockholders, or
20 stockholders entitled to receive payment of any dividend, or
21 in order to make a determination of stockholders for any
22 other proper purpose, the board of directors of a bank may
23 provide that the stock transfer books shall be closed for a
24 stated period not to exceed, in any case, 40 days. In lieu
25 of closing the stock transfer books, the board of directors
26 may fix in advance a date as the record date for any
27 determination of stockholders, the date in any case to be not
28 more than 40 days, and in case of a meeting of stockholders,
29 not less than 10 days prior to the date on which the
30 particular action, requiring the determination of
31 stockholders, is to be taken. If the stock transfer books
32 are not closed and no record date is fixed for the
33 determination of stockholders entitled to notice of or to
34 vote at a meeting of stockholders, or stockholders entitled

1 to receive payment of a dividend, the date on which notice of
2 a meeting is mailed or the date on which the resolution of
3 the board of directors declaring the dividend is adopted, as
4 the case may be, shall be the record date for the
5 determination of stockholders.

6 (6) Stock standing in the name of another corporation,
7 domestic or foreign, may be voted by the officer, agent, or
8 proxy as the by-laws of the corporation may prescribe, or, in
9 the absence of such provision, as the board of directors of
10 the corporation may determine. Stock standing in the name of
11 a deceased person may be voted by his or her administrator or
12 executor, either in person or by proxy. Stock standing in
13 the name of a guardian or trustee may be voted by that
14 fiduciary either in person or by proxy. Shares standing in
15 the name of a receiver may be voted by the receiver, and
16 shares held by or under control of a receiver may be voted by
17 the receiver without the transfer thereof into his or her
18 name if authority so to do be contained in an appropriate
19 order of the court by which the receiver was appointed. A
20 stockholder whose shares of stock are pledged shall be
21 entitled to vote those shares until the shares have been
22 transferred into the name of the pledgee, and thereafter the
23 pledgee shall be entitled to vote the shares so transferred.

24 (7) Shares of stock shall be transferable in accordance
25 with the general laws of this State governing the transfer of
26 corporate shares.

27 (8) The president and cashier of every State bank shall
28 cause to be kept at all times a full and correct list of the
29 names and residences of all the shareholders in the State
30 bank and the number of shares held by each in the office
31 where its business is transacted. The list shall be subject
32 to the inspection of all the shareholders of the State bank
33 and the officers authorized to assess taxes under State
34 authority during business hours of each day in which business

1 may be legally transacted. A copy of the list, verified by
2 the oath of the president or cashier, shall be transmitted to
3 the Commissioner of Banks and Real Estate within 10 days of
4 any demand therefor made by the Commissioner.

5 (9) Any number of shareholders of a bank may create a
6 voting trust for the purpose of conferring upon a trustee or
7 trustees the right to vote or otherwise represent their
8 shares for a period of not to exceed 10 years by entering
9 into a written voting trust agreement specifying the terms
10 and conditions of the voting trust and by transferring their
11 shares to the trustee or trustees for the purposes of the
12 agreement. The trust agreement shall not become effective
13 until a counterpart of the agreement is deposited with the
14 bank at its main banking premises registered--office. The
15 counterpart of the voting trust agreement so deposited with
16 the bank shall be subject to the same right of examination by
17 a shareholder of the bank, in person or by agent or attorney,
18 as is the record of shareholders of the bank and shall be
19 subject to examination by any holder of a beneficial interest
20 in the voting trust, either in person or by agent or
21 attorney, at any reasonable time for any proper purpose.

22 (10) Voting agreements. Shareholders may provide for
23 the voting of their shares by signing an agreement for that
24 purpose. A voting agreement created under this paragraph is
25 not subject to the provisions of paragraph (9).

26 A voting agreement created under this paragraph is
27 specifically enforceable in accordance with the principles of
28 equity.

29 (Source: P.A. 89-508, eff. 7-3-96.)

30 (205 ILCS 5/16.1) (from Ch. 17, par. 323.1)

31 Sec. 16.1. One or more of the directors may be removed,
32 with or without cause, at a meeting of shareholders by the
33 affirmative vote of the holders of a majority of the

1 outstanding shares then entitled to vote at an election of
2 directors, except as follows:

3 (1) No director shall be removed at a meeting of
4 shareholders unless the notice of the meeting shall state
5 that a purpose of the meeting is to vote upon the removal of
6 one or more directors named in the notice. Only the named
7 director or directors may be removed at that meeting.

8 (2) In the case of a bank having cumulative voting, if
9 less than the entire board is to be removed, no director may
10 be removed if the votes cast against his or her removal would
11 be sufficient to elect him or her if then cumulatively voted
12 at an election of the entire board of directors.

13 (3) If a director is elected by a class or series of
14 shares, he or she may be removed only by the shareholders of
15 that class or series.

16 (4) In the case of a State bank whose board is
17 classified as provided in paragraph (3) ~~(5)~~ of Section 16 of
18 this Act, the charter or the by-laws may provide that
19 directors may be removed only for cause.

20 (Source: P.A. 86-368; 87-269.)

21 (205 ILCS 5/17) (from Ch. 17, par. 324)

22 Sec. 17. Changes in charter.

23 (a) By compliance with the provisions of this Act a
24 State bank may:

25 (1) (blank);

26 (2) increase, decrease or change its capital stock,
27 whether issued or unissued, provided that in no case
28 shall the capital be diminished to the prejudice of its
29 creditors;

30 (3) provide for authorized but unissued capital
31 stock reserved for issuance for one or more of the
32 purposes provided for in subsection (5) of Section 14
33 hereof;

1 (4) authorize preferred stock, or increase,
2 decrease or change the preferences, qualifications,
3 limitations, restrictions or special or relative rights
4 of its preferred stock, whether issued or unissued,
5 provided that in no case shall the capital be diminished
6 to the prejudice of its creditors;

7 (5) increase, decrease or change the par value of
8 its shares of its capital stock or preferred stock,
9 whether issued or unissued;

10 (6) (blank) ~~extend-the-duration-of-its-charter;~~

11 (7) eliminate cumulative voting rights under all or
12 specified circumstances, or eliminate voting rights
13 entirely, as to any class or classes or series of stock
14 of the bank pursuant to paragraph (3) of Section 15,
15 provided that one class of shares or series thereof shall
16 always have voting in respect to all matters in the bank,
17 and provided further that the proposal to eliminate such
18 voting rights receives the approval of the holders of 70%
19 of the outstanding shares of stock entitled to vote as
20 provided in paragraph (7) of subsection (b) of this
21 Section 17;

22 (8) increase, decrease, or change its capital stock
23 or preferred stock, whether issued or unissued, for the
24 purpose of eliminating fractional shares or avoiding the
25 issuance of fractional shares, provided that in no case
26 shall the capital be diminished to the prejudice of its
27 creditors; or

28 (9) make such other change in its charter as may be
29 authorized in this Act.

30 (b) To effect a change or changes in a State bank's
31 charter as provided for in this Section 17:

32 (1) The board of directors shall adopt a resolution
33 setting forth the proposed amendment and directing that
34 it be submitted to a vote at a meeting of stockholders,

1 which may be either an annual or special meeting.

2 (2) If the meeting is a special meeting, written or
3 printed notice setting forth the proposed amendment or
4 summary thereof shall be given to each stockholder of
5 record entitled to vote at such meeting at least 30 days
6 before such meeting and in the manner provided in this
7 Act for the giving of notice of meetings of stockholders.

8 (3) At such special meeting, a vote of the
9 stockholders entitled to vote shall be taken on the
10 proposed amendment. Except as provided in paragraph (7)
11 of this subsection (b), the proposed amendment shall be
12 adopted upon receiving the affirmative vote of the
13 holders of at least two-thirds of the outstanding shares
14 of stock entitled to vote at such meeting, unless holders
15 of preferred stock are entitled to vote as a class in
16 respect thereof, in which event the proposed amendment
17 shall be adopted upon receiving the affirmative vote of
18 the holders of at least two-thirds of the outstanding
19 shares of each class of shares entitled to vote as a
20 class in respect thereof and of the total outstanding
21 shares entitled to vote at such meeting. Any number of
22 amendments may be submitted to the stockholders and voted
23 upon by them at one meeting. A certificate of the
24 amendment, or amendments, verified by the president, or a
25 vice-president, or the cashier, shall be filed
26 immediately in the office of the Commissioner.

27 (4) At any annual meeting without a resolution of
28 the board of directors and without a notice and prior
29 publication, as hereinabove provided, a proposition for a
30 change in the bank's charter as provided for in this
31 Section 17 may be submitted to a vote of the stockholders
32 entitled to vote at the annual meeting, except that no
33 proposition for authorized but unissued capital stock
34 reserved for issuance for one or more of the purposes

1 provided for in subsection (5) of Section 14 hereof shall
2 be submitted without complying with the provisions of
3 said subsection. The proposed amendment shall be adopted
4 upon receiving the affirmative vote of the holders of at
5 least two-thirds of the outstanding shares of stock
6 entitled to vote at such meeting, unless holders of
7 preferred stock are entitled to vote as a class in
8 respect thereof, in which event the proposed amendment
9 shall be adopted upon receiving the affirmative vote of
10 the holders of at least two-thirds of the outstanding
11 shares of each class of shares entitled to vote as a
12 class in respect thereof and the total outstanding shares
13 entitled to vote at such meeting. A certificate of the
14 amendment, or amendments, verified by the president, or a
15 vice-president or cashier, shall be filed immediately in
16 the office of the Commissioner.

17 (5) If an amendment or amendments shall be approved
18 in writing by the Commissioner, the amendment or
19 amendments so adopted and so approved shall be
20 accomplished in accordance with the vote of the
21 stockholders. The Commissioner may impose such terms and
22 conditions on the approval of the amendment or amendments
23 as he deems necessary or appropriate to ensure that such
24 issuance is consistent with applicable statutes, rules,
25 and policies. The Commissioner shall revoke such
26 approval in the event such amendment or amendments are
27 not effected within one year from the date of the
28 issuance of the Commissioner's certificate and written
29 approval except for transactions permitted under
30 subsection (5) of Section 14 of this Act.

31 (6) No amendment or amendments shall affect suits
32 in which the bank is a party, nor affect causes of
33 action, nor affect rights of persons in any particular,
34 nor shall actions brought against such bank by its former

1 name be abated by a change of name.

2 (7) A proposal to amend the charter to eliminate
3 cumulative voting rights under all or specified
4 circumstances, or to eliminate voting rights entirely, as
5 to any class or classes or series or stock of a bank,
6 pursuant to paragraph (3) of Section 15 and paragraph (7)
7 of subsection (a) of this Section 17, shall be adopted
8 only upon such proposal receiving the approval of the
9 holders of 70% of the outstanding shares of stock
10 entitled to vote at the meeting where the proposal is
11 presented for approval, unless holders of preferred stock
12 are entitled to vote as a class in respect thereof, in
13 which event the proposed amendment shall be adopted upon
14 receiving the approval of the holders of 70% of the
15 outstanding shares of each class of shares entitled to
16 vote as a class in respect thereof and of the total
17 outstanding shares entitled to vote at the meeting where
18 the proposal is presented for approval. The proposal to
19 amend the charter pursuant to this paragraph (7) may be
20 voted upon at the annual meeting or a special meeting.

21 (8) Written or printed notice of a stockholders'
22 meeting to vote on a proposal to increase, decrease or
23 change the capital stock or preferred stock pursuant to
24 paragraph (8) of subsection (a) of this Section 17 and to
25 eliminate fractional shares or avoid the issuance of
26 fractional shares shall be given to each stockholder of
27 record entitled to vote at the meeting at least 30 days
28 before the meeting and in the manner provided in this Act
29 for the giving of notice of meetings of stockholders, and
30 shall include all of the following information:

31 (A) A statement of the purpose of the proposed
32 reverse stock split.

33 (B) A statement of the amount of consideration
34 being offered for the bank's stock.

1 (C) A statement that the bank considers the
2 transaction fair to the stockholders, and a
3 statement of the material facts upon which this
4 belief is based.

5 (D) A statement that the bank has secured an
6 opinion from a third party with respect to the
7 fairness, from a financial point of view, of the
8 consideration to be paid, the identity and
9 qualifications of the third party, how the third
10 party was selected, and any material relationship
11 between the third party and the bank.

12 (E) A summary of the opinion including the
13 basis for and the methods of arriving at the
14 findings and any limitation imposed by the bank in
15 arriving at fair value and a statement making the
16 opinion available for reviewing or copying by any
17 stockholder.

18 (F) A statement that objecting stockholders
19 will be entitled to the fair value of those shares
20 that are voted against the charter amendment, if a
21 proper demand is made on the bank and the
22 requirements are satisfied as specified in this
23 Section.

24 If a stockholder shall file with the bank, prior to or at the
25 meeting of stockholders at which the proposed charter
26 amendment is submitted to a vote, a written objection to the
27 proposed charter amendment and shall not vote in favor
28 thereof, and if the stockholder, within 20 days after
29 receiving written notice of the date the charter amendment
30 was accomplished pursuant to paragraph (5) of subsection (a)
31 of this Section 17, shall make written demand on the bank for
32 payment of the fair value of the stockholder's shares as of
33 the day prior to the date on which the vote was taken
34 approving the charter amendment, the bank shall pay to the

1 stockholder, upon surrender of the certificate or
2 certificates representing the stock, the fair value thereof.
3 The demand shall state the number of shares owned by the
4 objecting stockholder. The bank shall provide written notice
5 of the date on which the charter amendment was accomplished
6 to all stockholders who have filed written objections in
7 order that the objecting stockholders may know when they must
8 file written demand if they choose to do so. Any stockholder
9 failing to make demand within the 20-day period shall be
10 conclusively presumed to have consented to the charter
11 amendment and shall be bound by the terms thereof. If within
12 30 days after the date on which a charter amendment was
13 accomplished the value of the shares is agreed upon between
14 the objecting stockholders and the bank, payment therefor
15 shall be made within 90 days after the date on which the
16 charter amendment was accomplished, upon the surrender of the
17 stockholder's certificate or certificates representing the
18 shares. Upon payment of the agreed value the objecting
19 stockholder shall cease to have any interest in the shares or
20 in the bank. If within such period of 30 days the
21 stockholder and the bank do not so agree, then the objecting
22 stockholder may, within 60 days after the expiration of the
23 30-day period, file a complaint in the circuit court asking
24 for a finding and determination of the fair value of the
25 shares, and shall be entitled to judgment against the bank
26 for the amount of the fair value as of the day prior to the
27 date on which the vote was taken approving the charter
28 amendment with interest thereon to the date of the judgment.
29 The practice, procedure and judgment shall be governed by the
30 Civil Practice Law. The judgment shall be payable only upon
31 and simultaneously with the surrender to the bank of the
32 certificate or certificates representing the shares. Upon
33 payment of the judgment, the objecting stockholder shall
34 cease to have any interest in the shares or the bank. The

1 shares may be held and disposed of by the bank. Unless the
2 objecting stockholder shall file such complaint within the
3 time herein limited, the stockholder and all persons claiming
4 under the stockholder shall be conclusively presumed to have
5 approved and ratified the charter amendment, and shall be
6 bound by the terms thereof. The right of an objecting
7 stockholder to be paid the fair value of the stockholder's
8 shares of stock as herein provided shall cease if and when
9 the bank shall abandon the charter amendment.

10 (c) The purchase and holding and later resale of
11 treasury stock of a state bank pursuant to the provisions of
12 subsection (6) of Section 14 may be accomplished without a
13 change in its charter reflecting any decrease or increase in
14 capital stock.

15 (Source: P.A. 90-160, eff. 7-23-97; 90-301, eff. 8-1-97;
16 90-655, eff. 7-30-98; 91-322, eff. 1-1-00.)

17 (205 ILCS 5/18) (from Ch. 17, par. 325)

18 Sec. 18. Change in control.

19 (a) Before a change may occur in the ownership of
20 outstanding stock of any State bank, whether by sale and
21 purchase, gift, bequest or inheritance, or any other means,
22 including the acquisition of stock of the State bank by any
23 bank holding company, which will result in control or a
24 change in the control of the bank or before a change in the
25 control of a holding company having control of the
26 outstanding stock of a State bank whether by sale and
27 purchase, gift, bequest or inheritance, or any other means,
28 including the acquisition of stock of such holding company by
29 any other bank holding company, which will result in control
30 or a change in control of the bank or holding company, or
31 before a transfer of substantially all the assets or
32 liabilities of the State bank, the Commissioner shall be of
33 the opinion and find:

1 (1) that the general character of its proposed
2 management or of the person desiring to purchase
3 substantially all the assets or to assume substantially
4 all the liabilities of the State bank, after the change
5 in control, is such as to assure reasonable promise of
6 successful, safe and sound operation;

7 (1.1) that depositors' interests will not be
8 jeopardized by the purchase or assumption and that
9 adequate provision has been made for all liabilities as
10 required for a voluntary liquidation under Section 68 of
11 this Act;

12 (2) that the future earnings prospects of the
13 person desiring to purchase substantially all assets or
14 to assume substantially all the liabilities of the State
15 bank, after the proposed change in control, are
16 favorable;

17 (3) that any prior involvement by the persons
18 proposing to obtain control, to purchase substantially
19 all the assets, or to assume substantially all the
20 liabilities of the State bank or by the proposed
21 management personnel with any other financial
22 institution, whether as stockholder, director, officer or
23 customer, was conducted in a safe and sound manner; and

24 (4) that if the acquisition is being made by a bank
25 holding company, the acquisition is authorized under the
26 Illinois Bank Holding Company Act of 1957.

27 (b) Persons desiring to purchase control of an existing
28 state bank, to purchase substantially all the assets, or to
29 assume substantially all the liabilities of the State bank
30 shall, prior to that purchase, submit to the Commissioner:

31 (1) a statement of financial worth;

32 (2) satisfactory evidence that any prior
33 involvement by the persons and the proposed management
34 personnel with any other financial institution, whether

1 as stockholder, director, officer or customer, was
2 conducted in a safe and sound manner; and

3 (3) such other relevant information as the
4 Commissioner may request to substantiate the findings
5 under subsection (a) of this Section.

6 A person who has submitted information to the
7 Commissioner pursuant to this subsection (b) is under a
8 continuing obligation to immediately supplement that
9 information if there are any material changes in the
10 information previously furnished or if there are any material
11 changes in any circumstances that may affect the
12 Commissioner's opinion and findings. In addition, a person
13 submitting information under this subsection shall notify the
14 Commissioner of the date when the change in control is
15 finally effected.

16 The Commissioner may impose such terms and conditions on
17 the approval of the change in control application as he deems
18 necessary or appropriate to ensure that the approval is
19 consistent with applicable statutes, rules, and policies.

20 If an applicant, whose application for a change in
21 control has been approved pursuant to subsection (a) of this
22 Section, fails to effect the change in control within 180
23 days after the date of the Commissioner's approval, the
24 Commissioner shall revoke that approval unless a request has
25 been submitted, in writing, to the Commissioner for an
26 extension and the request has been approved.

27 ~~As--used--in--this--Section, the term "control" means the~~
28 ~~ownership of such amount of stock or ability to direct the~~
29 ~~voting of such stock as to give power to, directly or~~
30 ~~indirectly, direct or cause the direction of the management~~
31 ~~or policies of the bank. A change in ownership of stock~~
32 ~~which would result in direct or indirect ownership by a~~
33 ~~stockholder, an affiliated group of stockholders or a holding~~
34 ~~company of less than 10 percent of the outstanding stock~~

1 shall-not-be-considered-a-change-of-control.---A-change-in
 2 ownership-of-stock-which-would-result-in-direct-or-indirect
 3 ownership-by-a-stockholder,---an-affiliated-group-of
 4 stockholders-or-a-holding-company-of-20-percent-or-such
 5 lesser-amount-which-would-entitle-the-holder-by-applying
 6 cumulative-voting-to-elect-one-director-shall-be-presumed-to
 7 constitute-a-change-of-control-for-purposes-of-this-Section
 8 18.---If-there-is-any-doubt-as-to-whether-a-change-in-the
 9 ownership-or-control-of-the-outstanding-stock-is-sufficient
 10 to-result-in-obtaining-control-thereof-or-to-effect-a-change
 11 in-the-control-thereof,---such-doubt-shall-be-resolved-in-favor
 12 of-reporting-the-facts-to-the-Commissioner.

13 As-used-in-this-Section,---"substantially-all"---the-assets
 14 or-liabilities-of-a-State-bank-means-that-portion-of-the
 15 assets-or-liabilities-of-a-State-bank-such-that-their
 16 purchase-or-transfer-will-materially-impair-the-ability-of
 17 the-State-bank-to-continue-successful,---safe,---and-sound
 18 operations-or-to-continue-as-a-going-concern-or-would-cause
 19 the-bank-to-lose-its-federal-deposit-insurance.

20 (b-1) Any person who obtains ownership of stock of an
 21 existing State bank or stock of a holding company that
 22 controls the State bank by gift, bequest, or inheritance such
 23 that ownership of the stock would constitute control of the
 24 State bank or holding company may obtain title and ownership
 25 of the stock, but may not exercise management or control of
 26 the business and affairs of the bank or vote his or her
 27 shares so as to exercise management or control unless and
 28 until the Commissioner approves an application for the change
 29 of control as provided in subsection (b) of this Section.

30 (c) Whenever a state bank makes a loan or loans,
 31 secured, or to be secured, by 25% or more of the outstanding
 32 stock of a state bank, the president or other chief executive
 33 officer of the lending bank shall promptly report such fact
 34 to the Commissioner upon obtaining knowledge of such loan or

1 loans, except that no report need be made in those cases
2 where the borrower has been the owner of record of the stock
3 for a period of one year or more, or the stock is that of a
4 newly organized bank prior to its opening.

5 (d) The reports required by subsections (b) and (c) of
6 this Section 18, other than those relating to a transfer of
7 assets or assumption of liabilities, shall contain the
8 following information to the extent that it is known by the
9 person making the report: (1) the number of shares involved;
10 (2) the names of the sellers (or transferors); (3) the names
11 of the purchasers (or transferees); (4) the names of the
12 beneficial owners if the shares are registered in another
13 name: (5) the purchase price, if applicable; (6) the total
14 number of shares owned by the sellers (or transferors), the
15 purchasers (or transferees) and the beneficial owners both
16 immediately before and after the transaction; and, (7) in the
17 case of a loan, the name of the borrower, the amount of the
18 loan, the name of the bank issuing the stock securing the
19 loan and the number of shares securing the loan. In addition
20 to the foregoing, such reports shall contain such other
21 information which is requested by the Commissioner to inform
22 the Commissioner of the effect of the transaction upon
23 control of the bank whose stock is involved.

24 (d-1) The reports required by subsection (b) of this
25 Section 18 that relate to purchase of assets and assumption
26 of liabilities shall contain the following information to the
27 extent that it is known by the person making the report: (1)
28 the value, amount, and description of the assets transferred;
29 (2) the amount, type, and to whom each type of liabilities
30 are owed; (3) the names of the purchasers (or transferees);
31 (4) the names of the beneficial owners if the shares of a
32 purchaser or transferee are registered in another name; (5)
33 the purchase price, if applicable; and, (6) in the case of a
34 loan obtained to effect a purchase, the name of the borrower,

1 the amount and terms of the loan, and the description of the
2 assets securing the loan. In addition to the foregoing,
3 these reports shall contain any other information that is
4 requested by the Commissioner to inform the Commissioner of
5 the effect of the transaction upon the bank from which assets
6 are purchased or liabilities are transferred.

7 (e) Whenever such a change as described in subsection
8 (a) of this Section 18 occurs, each state bank shall report
9 promptly to the Commissioner any changes or replacement of
10 its chief executive officer or of any director occurring in
11 the next 12 month period, including in its report a statement
12 of the past and current business and professional
13 affiliations of the new chief executive officer or directors.

14 (f) (Blank).

15 (g) (1) Except as otherwise expressly provided in this
16 subsection (g), the Commissioners shall not approve an
17 application for a change in control if upon consummation
18 of the change in control the persons applying for the
19 change in control, including any affiliates of the
20 persons applying, would control 30% or more of the total
21 amount of deposits which are located in this State at
22 insured depository institutions. For purposes of this
23 subsection (g), the words "insured depository
24 institution" shall mean State banks, national banks, and
25 insured savings associations. For purposes of this
26 subsection (g), the word "deposits" shall have the
27 meaning ascribed to that word in Section 3(1) of the
28 Federal Deposit Insurance Act. For purposes of this
29 subsection (g), the total amount of deposits which are
30 considered to be located in this State at insured
31 depository institutions shall equal the sum of all
32 deposits held at the main banking premises and branches
33 in the State of Illinois of State banks, national banks,
34 or insured savings associations. For purposes of this

1 subsection (g), the word "affiliates" shall have the
2 meaning ascribed to that word in Section 35.2 of this
3 Act.

4 (2) Notwithstanding the provisions of subsection
5 (g)(1) of this Section, the Commissioner may approve an
6 application for a change in control for a bank that is in
7 default or in danger of default. Except in those
8 instances in which an application for a change in control
9 is for a bank that is in default or in danger of default,
10 the Commissioner may not approve a change in control
11 which does not meet the requirements of subsection (g)(1)
12 of this Section. The Commissioner may not waive the
13 provisions of subsection (g)(1) of this Section, whether
14 pursuant to Section 3(d) of the federal Bank Holding
15 Company Act of 1956 or Section 44(d) of the Federal
16 Deposit Insurance Act, except as expressly provided in
17 this subsection (g)(2).

18 (h) As used in this Section, the term "control" means
19 the ownership of such amount of stock or ability to direct
20 the voting of such stock as to, directly or indirectly, give
21 power to direct or cause the direction of the management or
22 policies of the bank. A change in ownership of stock that
23 would result in direct or indirect ownership by a
24 stockholder, an affiliated group of stockholders, or a
25 holding company of less than 10% of the outstanding stock
26 shall not be considered a change in control. A change in
27 ownership of stock that would result in direct or indirect
28 ownership by a stockholder, an affiliated group of
29 stockholders, or a holding company of 20% or such lesser
30 amount that would entitle the holder by applying cumulative
31 voting to elect one director shall be presumed to constitute
32 a change of control for purposes of this Section 18. If
33 there is any question as to whether a change in the ownership
34 or control of the outstanding stock is sufficient to result

1 in obtaining control thereof or to effect a change in the
2 control thereof, the question shall be resolved in favor of
3 reporting the facts to the Commissioner.

4 As used in this Section, "substantially all" the assets
5 or liabilities of a State bank means that portion of the
6 assets or liabilities of a State bank such that their
7 purchase or transfer will materially impair the ability of
8 the State bank to continue successful, safe, and sound
9 operations or to continue as a going concern or would cause
10 the bank to lose its federal deposit insurance.

11 As used in this Section, "purchase" includes a transfer
12 by gift, bequest, inheritance, or any other means.

13 (Source: P.A. 89-567, eff. 7-26-96; 90-226, eff. 7-25-97.)

14 (205 ILCS 5/21.2)

15 Sec. 21.2. Interstate mergers; minimum age requirement.

16 (a) No out of state bank and no national bank whose main
17 banking premises is located in a state other than Illinois
18 shall merge with or into, or shall acquire all or
19 substantially all of the assets of an Illinois bank that has
20 existed and continuously operated as a bank for 5 years or
21 less. An out-of-state bank or a national bank whose main
22 banking premises is located in a state other than Illinois
23 and that has existed and operated for 5 years or less may not
24 merge with an Illinois bank that has existed and continuously
25 operated as a bank for more than 5 years unless that state
26 would permit an Illinois bank to perform the same transaction
27 if each of the merging banks were situated in the other
28 state.

29 (b) For purposes of subsection (a) of this Section, an
30 Illinois bank that is the resulting bank following a merger
31 involving an Illinois interim bank shall be considered to
32 have been in existence and continuously operated during the
33 existence and continuous operation of the Illinois merged

1 bank. As used in this subsection (b), the words "interim
 2 bank" shall mean a bank which shall not accept deposits, make
 3 loans, pay checks, or engage in the general business of
 4 banking or any part thereof, and is chartered solely for the
 5 purpose of merging with or acquiring control of, or acquiring
 6 all or substantially all of the assets of an existing
 7 Illinois bank.

8 (c) The provisions of subsection (a) of the Section
 9 shall not apply to the merger or acquisition of all or
 10 substantially all of the assets of an Illinois bank:

11 (1) if the merger or acquisition is part of a
 12 purchase or acquisition with respect to which the Federal
 13 Deposit Insurance Corporation provides assistance under
 14 Section 13(c) of the Federal Deposit Insurance Act; or

15 (2) if the Illinois bank is in default or in danger
 16 of default.

17 (Source: P.A. 90-226, eff. 7-25-97.)

18 (205 ILCS 5/22) (from Ch. 17, par. 329)

19 Sec. 22. Merger procedure; resulting State bank. The
 20 merger procedure required of a State bank where there is to
 21 be a resulting State bank by consolidation or merger shall
 22 be:

23 (1) The board of directors of each merging bank or
 24 insured savings association shall, by a majority of the
 25 entire board, approve a merger agreement that shall contain:

26 (a) The name of each merging bank or insured
 27 savings association and its location and a list of each
 28 merging bank's or insured savings association's
 29 stockholders as of the date of the merger agreement;

30 (b) With respect to the resulting bank (i) its name
 31 and place of business; (ii) the amount of Tier 1 capital,
 32 ~~surplus--and--reserve--for--operating--expenses~~; (iii) the
 33 classes and the number of shares of stock and the par

1 value of each share; (iv) the designation of the
2 continuing bank and the charter which is to be the
3 charter of the resulting bank, together with the
4 amendments to the continuing charter and to the
5 continuing by-laws; and (v) a detailed financial
6 Statement showing the assets and liabilities after the
7 proposed merger or consolidation;

8 (c) Provisions stating the method, terms and
9 conditions of carrying the merger into effect, including
10 the manner of converting the shares of the merging banks
11 or insured savings association into the cash, shares of
12 stock or other securities of any corporation or other
13 property, or any combination of the foregoing, Stated in
14 the merger agreement as to be received by the
15 stockholders of each merging bank or insured savings
16 association;

17 (d) A Statement that the agreement is subject to
18 approval by the Commissioner and by the stockholders of
19 each merging bank or insured savings association and that
20 whether approved or disapproved the merging banks or
21 insured savings association will pay the Commissioner's
22 expenses of examination;

23 (e) Provisions governing the manner of disposing of
24 the shares of the resulting bank not taken by the
25 dissenting stockholders of the merging banks or insured
26 savings association; and

27 (f) Such other provisions as the Commissioner may
28 reasonably require to enable him to discharge his duties
29 with respect to the merger.

30 (2) After approval by the board of directors of each
31 bank or insured savings association, the merger agreement
32 shall be submitted to the Commissioner for approval, together
33 with certified copies of the authorizing resolutions of each
34 board of directors showing approval by a majority of the

1 entire board of each bank or insured savings association.

2 (3) After receipt by the Commissioner of the papers
3 specified in paragraph (2), he shall approve or disapprove
4 the merger agreement. The Commissioner shall not approve the
5 merger agreement unless he shall be of the opinion and shall
6 find:

7 (a) That the resulting bank meets the requirements
8 of this Act for the formation of a new bank at the
9 proposed main banking premises of the resulting bank;

10 (b) That the same matters exist with respect to the
11 resulting bank which would have been required under
12 Section 10 of this Act for the organization of a new
13 bank;

14 (c) That the merger agreement is fair to all
15 persons affected; and

16 (d) That the resulting bank will be operated in a
17 safe and sound manner.

18 If the Commissioner disapproves an agreement he shall
19 State his objections and give an opportunity to the merging
20 banks to amend the merger agreement to obviate such
21 objections.

22 (4) The Commissioner may impose such terms and
23 conditions on the approval of the merger agreement as he
24 deems necessary or appropriate to ensure that the approval is
25 consistent with applicable statutes, regulations, and
26 policies.

27 (5) If the Commissioner approves a merger agreement, he
28 may revoke that approval if the merger has not been approved
29 by the shareholders in accordance with Section 23 within 180
30 days after the date of the Commissioner's approval, unless a
31 request has been submitted, in writing, to the Commissioner
32 for an extension and the request has been approved.

33 (6) The board of directors of a bank or insured savings
34 association is under a continuing obligation to furnish

1 additional information if there are any material changes in
2 circumstances after the merger agreement has been submitted
3 which may affect the Commissioner's opinions and findings.

4 (Source: P.A. 87-1226.)

5 (205 ILCS 5/25) (from Ch. 17, par. 332)

6 Sec. 25. Conversion of national bank or insured savings
7 association into State bank. A national bank or insured
8 savings association located in this State which follows the
9 procedure prescribed by the laws of the United States or of
10 the State of Illinois to convert into a State bank may be
11 granted a charter by the Commissioner. The national bank or
12 insured savings association may apply for such charter by
13 filing with the Commissioner:

14 (1) A certificate signed by its president, or a
15 vice-president, or the cashier, and by a majority of the
16 entire board of directors setting forth the corporate action
17 taken in compliance with the provisions of the laws of the
18 United States or of the State of Illinois governing the
19 conversion of a national bank or insured savings association
20 to a State bank;

21 (2) The plan of conversion and the proposed charter
22 approved by the stockholders for the operation of the bank or
23 insured savings association as a State bank;

24 (3) The name proposed for the converting bank or insured
25 savings association, its location and a list of its
26 stockholders as of the date of the stockholders' approval of
27 the plan of conversion;

28 (4) The amount of its Tier 1 capital, ~~surplus and~~
29 ~~reserve for operation expenses~~, the classes and the number of
30 the shares of stock and the par value of each share, and a
31 detailed statement showing the assets and liabilities of the
32 converting bank or insured savings association; and

33 (5) A statement that the plan of conversion is subject

1 to the approval of the Commissioner and that whether approved
2 or disapproved the converting bank or insured savings
3 association will pay the Commissioner's expenses of
4 examination.

5 For purposes of this Section, a national bank or insured
6 savings association is located in the State where its main
7 banking premises or main office is located.

8 (Source: P.A. 89-567, eff. 7-26-96.)

9 (205 ILCS 5/30.5)

10 Sec. 30.5. Mid-tier bank holding company merger with
11 State bank. Upon approval by the Commissioner, a mid-tier
12 bank holding company having power so to do under the law
13 under which it is organized may merge into its subsidiary
14 State bank as prescribed by this Act; except that the action
15 by the mid-tier bank holding company shall be taken in the
16 manner prescribed by and shall be subject to limitations and
17 requirements imposed by the law under which it is organized.
18 The merger procedure shall be as follows:

19 (1) The board of directors of the parent bank holding
20 company shall, by resolution, approve a merger agreement
21 which shall contain:

22 (a) the name and location of the merging bank and
23 of the mid-tier bank holding company;

24 (b) with respect to the merging bank (i) the amount
25 of Tier 1 capital, surplus, and reserve for operating
26 expenses; (ii) the classes and the number of shares of
27 stock and the par value of each share; (iii) a detailed
28 financial statement showing the assets and liabilities
29 after the proposed merger; and (iv) any amendments to the
30 charter or by-laws;

31 (c) provisions governing the manner of converting
32 the shares of the merging bank and the mid-tier bank
33 holding company into shares of the merging bank and the

1 manner of transferring the converted shares to the parent
2 bank holding company;

3 (d) a statement that the merger agreement is
4 subject to approval by the Commissioner and that whether
5 approved or disapproved, the parties thereto will pay the
6 Commissioner's expenses of examination; and

7 (e) such other provisions as the Commissioner may
8 reasonably require to enable him to discharge his duties
9 with respect to the merger.

10 (2) After approval by the board of directors of the
11 parent bank holding company, the merger agreement shall be
12 submitted to the Commissioner for approval.

13 (3) After receipt by the Commissioner of the papers
14 specified in item (2), he shall approve or disapprove the
15 merger agreement. The Commissioner shall not approve the
16 agreement unless he shall be of the opinion and finds that
17 the same matters exist in respect of the continuing bank
18 which would have been required under Section 10 of this Act
19 for the organization of a new bank, that the mid-tier bank
20 holding company has no known liabilities that will become
21 liabilities of the continuing bank, and that the parent bank
22 holding company will indemnify the continuing bank for any
23 known and unknown contingent liabilities for which the
24 continuing bank may become liable as a result of the merger.

25 Nothing in this Section shall authorize a resulting State
26 bank to acquire, hold, or invest any asset or to assume or
27 incur any liability that does not conform to the legal
28 requirements for assets acquired, held, or invested or
29 liabilities assumed or incurred by State banks, or to engage
30 in any activity in which a State bank is not authorized to
31 engage as part of a general banking business. If the
32 Commissioner disapproves the merger agreement, he shall state
33 his objections in writing and give an opportunity to the
34 merging bank and mid-tier bank holding company to obviate the

1 objections.

2 (4) To be effective, if approved by the Commissioner, a
3 copy of the merger agreement executed by the duly authorized
4 president of the mid-tier bank holding company and president
5 of the merging State bank, together with copies of the
6 resolution of the board of directors of the parent bank
7 holding company, approving the merger agreement, certified by
8 the parent bank holding company's president or vice-president
9 and attested by the secretary, must be filed with the
10 Commissioner. The merger shall, unless a later date is
11 specified in the agreement, become effective when the
12 Commissioner has approved the agreement and issued a
13 certificate of merger to the continuing bank, which shall
14 specify the name of the mid-tier bank holding company, the
15 name of the continuing bank, and the amendments to the
16 charter of the continuing bank provided for by the merger
17 agreement. The charter of the mid-tier bank holding company
18 shall thereupon automatically terminate. Such certificate
19 shall be conclusive evidence of the merger and of the
20 correctness of all proceedings therefor in all courts and
21 places including the office of the Secretary of State, and
22 the certificate shall be recorded.

23 (Source: P.A. 89-364, eff. 8-18-95.)

24 (205 ILCS 5/31) (from Ch. 17, par. 338)

25 Sec. 31. Emergency sale of assets, change in control, or
26 merger.

27 (a) With the prior written approval of the Commissioner,
28 any State bank in danger of default may, by vote of a
29 majority of its board of directors, and without a vote of its
30 shareholders, and any State bank in default may, by
31 appropriate action of its receiver or conservator, and
32 without a vote of its shareholders, sell all or any part of
33 its assets to another State bank that is not an eligible

1 depository institution, to a national bank that is not an
2 eligible depository institution, to an insured savings
3 association that is not an eligible depository institution,
4 to the Federal Deposit Insurance Corporation, or to any one
5 or more of them, provided that a State bank that is not an
6 eligible depository institution, a national bank that is not
7 an eligible depository institution, an insured savings
8 association that is not an eligible depository institution,
9 the Federal Deposit Insurance Corporation, or any one or more
10 of them assumes in writing all of the liabilities of the
11 selling bank as shown by its records, other than the
12 liabilities of the selling bank to its shareholders as such.

13 (b) If the Commissioner has made one or more of the
14 findings provided in Section 51, and the finding that an
15 emergency exists as provided in Section 52, and if, in
16 addition, the Commissioner gives his approval in writing, any
17 State bank may, by vote of a majority of its board of
18 directors and without a vote of its shareholders, merge with
19 another State bank that is not an eligible depository
20 institution, a national bank that is not an eligible
21 depository institution, or an insured savings association
22 located in Illinois that is not an eligible depository
23 institution, and after May 31, 1997, an out-of-state bank
24 that is not an eligible depository institution, with such
25 other State bank, out-of-state bank, national bank, or
26 insured savings association being the resulting or continuing
27 bank or resulting insured savings association in such a
28 merger.

29 (c) With the prior written approval of the Commissioner,
30 any State bank may either purchase, assume, or both purchase
31 and assume all or any part of the assets or liabilities, or
32 act as paying agent for the payment of deposit insurance to
33 the depositors of an eligible depository institution.

34 (d) With the prior written approval of the Commissioner,

1 a State bank may, by vote of a majority of its board of
2 directors and without a vote of its shareholders, merge with
3 an insured savings association, national bank, or after May
4 31, 1997, out-of-state bank, in default or in danger of
5 default, provided such State bank results from such merger,
6 and provided further that such resulting bank shall conform
7 all assets acquired or liabilities incurred as a result of
8 such merger to the legal requirements for such assets
9 acquired, held or invested or liabilities assumed or incurred
10 by State banks, and that such resulting or continuing bank
11 shall conform all of its activities to those activities in
12 which a State bank is authorized to engage as part of a
13 general banking business.

14 (d-5) If the Commissioner has made one or more of the
15 findings provided in Section 51 and the finding that an
16 emergency exists as provided in Section 52, and if, in
17 addition, the Commissioner gives his approval in writing, a
18 change in the ownership of outstanding stock of any State
19 bank, whether by sale and purchase, gift, bequest or
20 inheritance, or any other means, including the acquisition of
21 stock of the State bank by any bank holding company, may
22 occur that will result in control or a change in the control
23 of the State bank or a change in the control of a holding
24 company having control of the outstanding stock of a State
25 bank whether by sale and purchase, gift, bequest or
26 inheritance, or any other means, including the acquisition of
27 stock of such holding company by any other bank holding
28 company, which will result in control or a change in control
29 of the bank or holding company.

30 (e) Nothing in this Section shall authorize a State bank
31 to acquire, hold, or invest any asset or to assume or incur
32 any liability that does not conform to the legal requirements
33 for assets acquired, held, or invested or liabilities assumed
34 or incurred by State banks, or to engage in any activity in

1 which a State bank is not authorized to engage as part of a
2 general banking business.

3 (f) Nothing in this Section shall authorize a bank
4 holding company to own or control, directly or indirectly, a
5 State bank or a national bank having its main banking
6 premises in Illinois unless such ownership or control is
7 expressly authorized under the provisions of the Illinois
8 Bank Holding Company Act of 1957.

9 (Source: P.A. 88-4; 89-208, eff. 9-29-95.)

10 (205 ILCS 5/33) (from Ch. 17, par. 341)

11 Sec. 33. Marketable investment securities limit. Any
12 State bank may purchase for its own account marketable
13 investment securities without regard to any other liability
14 to the bank of the issuer, maker, obligor, or guarantor of
15 any marketable investment securities, but the total amount of
16 the marketable investment securities of any one issuer, maker
17 or obligor held by the bank or for its account at any one
18 time shall not exceed 20% of its unimpaired capital and
19 unimpaired surplus. As used in this Section the term
20 "marketable investment securities" means marketable
21 obligations evidencing indebtedness of any person in the form
22 of bonds, notes, or debentures commonly known as investment
23 securities; obligations identified by certificates of
24 participation in investments the bank could have invested in
25 directly; and includes certificates of participation in open
26 end investment companies registered with the Securities and
27 Exchange Commission pursuant to the Investment Company Act of
28 1940 and Securities Act of 1933 commonly referred to as
29 mutual or money market funds, provided the portfolios of
30 those investment companies consist of investments that a bank
31 could invest in directly. Marketable investment securities
32 shall be rated in the top 4 rating categories by national
33 rating services and designated as "investment grade" or "bank

1 quality investments" securities. The rating restriction on
 2 marketable investment securities does not apply to securities
 3 that are issued by a public agency as defined in Section 1 of
 4 the Public Funds Investment Act.

5 (Source: P.A. 88-546; 89-364, eff. 8-18-95.)

6 (205 ILCS 5/37) (from Ch. 17, par. 347)

7 Sec. 37. Loans to officers and loans on and purchases of
 8 bank's own stock.

9 (1) No state bank shall make any loan or extension of
 10 credit in excess of the limits, as determined by the
 11 Commissioner, at any one time outstanding each to its
 12 president, or to any of its vice presidents or its salaried
 13 officers or employees or directors or to corporations or
 14 firms, controlled by them, or in the management of which any
 15 of them are actively engaged, unless such loan or extension
 16 of credit shall have been first approved, by the board of
 17 directors. The Commissioner shall prescribe such limits by
 18 rules.

19 (2) It shall not be lawful for a state bank to make any
 20 loan or discount on the security of the shares of its own
 21 capital stock or preferred stock or on the security of its
 22 own debentures or evidences of debt which are either
 23 convertible into capital stock or are junior or subordinate
 24 in right of payment to deposit or other liabilities of the
 25 bank.

26 (3)(a) For purposes of this Section, "control" means (i)
 27 ownership, control, or power to vote 25% or more of the
 28 outstanding shares of any class of voting security of the
 29 corporation or firm, directly or indirectly, or acting
 30 through or in concert with one or more other persons; (ii)
 31 control in any manner over the election of a majority of the
 32 directors of the corporation or firm; or (iii) the power to
 33 exercise a controlling influence over the management or

1 policies of the corporation or firm, directly or indirectly,
2 or acting through or in concert with one or more persons.

3 (3)(b) A person does not have the power to exercise a
4 controlling influence over the management or policies of a
5 corporation or firm solely by virtue of the person's position
6 as an officer or director of the corporation or firm.

7 (3)(c) A person is presumed to have control, including
8 the power to exercise a controlling influence over the
9 management or policies, of a corporation or firm if:

10 (i) the person:

11 (A) is an executive officer, director, or
12 individual exercising similar functions of the
13 corporation or firm; and

14 (B) directly or indirectly owns, controls, or
15 has the power to vote more than 10% of any class of
16 voting securities of the corporation or firm; or

17 (ii)(A) the person directly or indirectly owns,
18 controls, or has the power to vote more than 10% of any
19 class of voting securities of the corporation or firm;
20 and

21 (B) no other person directly or indirectly
22 owns, controls, or has the power to vote a greater
23 percentage of that class of voting securities.

24 (3)(d) A person may rebut a presumption established
25 under subdivision (3)(c) of this Section by submitting
26 written materials that, in the Commissioner's judgment,
27 demonstrate an absence of control.

28 (Source: P.A. 86-754.)

29 (205 ILCS 5/47) (from Ch. 17, par. 358)

30 Sec. 47. Reports to Commissioner.

31 (a) All State banks shall make a full and accurate
32 statement of their affairs at least 1 time during each
33 calendar quarter which shall be certified to, under oath by

1 the president, a vice-president or the cashier of such bank.
2 If the statement is submitted in electronic form, the
3 Commissioner may, in the call for the report, specify the
4 manner in which the appropriate officer of the bank shall
5 certify the statement of affairs. The statement shall be
6 according to the form which may be prescribed by the
7 Commissioner and shall exhibit in detail information
8 concerning such bank at the close of business of any day the
9 Commissioner may choose and designate in a call for such
10 report. Each bank shall deliver its quarterly statement to
11 the location specified by the Commissioner within 30 calendar
12 days of the date of the call for such reports. If the
13 quarterly statement is mailed, it must be postmarked within
14 the period prescribed for delivery, and if the quarterly
15 statement is delivered in electronic form, the bank shall
16 generate and retain satisfactory proof that it has caused the
17 report to be delivered within the period prescribed for
18 delivery. ~~Within--60--calendar--days--after--the--Commissioner's~~
19 ~~call--for--the--fourth--calendar--quarter--statement--of--affairs,--a~~
20 ~~State--bank--shall--publish--an--annual--disclosure--statement~~
21 ~~setting--forth--the--information--required--by--rule--of--the~~
22 ~~Commissioner.--The--disclosure--statement--shall--contain--the~~
23 ~~required--information--as--of--the--close--of--the--business--day~~
24 ~~designated--by--the--Commissioner--for--the--fourth--quarter~~
25 ~~statement--of--affairs.--Any--bank--failing--to--make--and--deliver~~
26 ~~such--statement--or--to--comply--with--any--provisions--of--this~~
27 ~~Section--may--be--subject--to--a--penalty--payable--to--the~~
28 ~~Commissioner--of--\$100--for--each--day--of--noncompliance.~~

29 (b) In addition to the foregoing reports, any bank which
30 is the victim of a shortage of funds in excess of \$10,000, an
31 apparent misapplication of the bank's funds by an officer,
32 employee or director, or any adverse legal action in an
33 amount in excess of 10% of total unimpaired capital and
34 unimpaired surplus of the bank, including but not limited to,

1 the entry of an adverse money judgment against the bank or a
2 write-off of assets of the bank, shall report that
3 information in writing to the Commissioner within 7 days of
4 the occurrence. Neither the bank, its directors, officers,
5 employees or its agents, in the preparation or filing of the
6 reports required by subsection (b) of this Section, shall be
7 subject to any liability for libel, slander, or other charges
8 resulting from information supplied in such reports, except
9 when the supplying of such information is done in a corrupt
10 or malicious manner or otherwise not in good faith.

11 (Source: P.A. 89-505, eff. 6-28-96; 89-567, eff. 7-26-96;
12 90-14, eff. 7-1-97.)

13 (205 ILCS 5/48) (from Ch. 17, par. 359)

14 Sec. 48. Commissioner's powers; duties. The Commissioner
15 shall have the powers and authority, and is charged with the
16 duties and responsibilities designated in this Act, and a
17 State bank shall not be subject to any other visitorial power
18 other than as authorized by this Act, except those vested in
19 the courts, or upon prior consultation with the Commissioner,
20 a foreign bank regulator with an appropriate supervisory
21 interest in the parent or affiliate of a state bank. In the
22 performance of the Commissioner's duties:

23 (1) The Commissioner shall call for statements from all
24 State banks as provided in Section 47 at least one time
25 during each calendar quarter.

26 (2) (a) The Commissioner, as often as the Commissioner
27 shall deem necessary or proper, and no less frequently than
28 18 months following the preceding examination, shall appoint
29 a suitable person or persons to make an examination of the
30 affairs of every State bank, except that for every eligible
31 State bank, as defined by regulation, the Commissioner in
32 lieu of the examination may accept on an alternating basis
33 the examination made by the eligible State bank's appropriate

1 federal banking agency pursuant to Section 111 of the Federal
2 Deposit Insurance Corporation Improvement Act of 1991,
3 provided the appropriate federal banking agency has made such
4 an examination. A person so appointed shall not be a
5 stockholder or officer or employee of any bank which that
6 person may be directed to examine, and shall have powers to
7 make a thorough examination into all the affairs of the bank
8 and in so doing to examine any of the officers or agents or
9 employees thereof on oath and shall make a full and detailed
10 report of the condition of the bank to the Commissioner. In
11 making the examination the examiners shall include an
12 examination of the affairs of all the affiliates of the bank,
13 as defined in subsection (b) of Section 35.2 of this Act, or
14 subsidiaries of the bank as shall be necessary to disclose
15 fully the conditions of the subsidiaries or affiliates, the
16 relations between the bank and the subsidiaries or affiliates
17 and the effect of those relations upon the affairs of the
18 bank, and in connection therewith shall have power to examine
19 any of the officers, directors, agents, or employees of the
20 subsidiaries or affiliates on oath. After May 31, 1997, the
21 Commissioner may enter into cooperative agreements with state
22 regulatory authorities of other states to provide for
23 examination of State bank branches in those states, and the
24 Commissioner may accept reports of examinations of State bank
25 branches from those state regulatory authorities. These
26 cooperative agreements may set forth the manner in which the
27 other state regulatory authorities may be compensated for
28 examinations prepared for and submitted to the Commissioner.

29 (b) After May 31, 1997, the Commissioner is authorized
30 to examine, as often as the Commissioner shall deem necessary
31 or proper, branches of out-of-state banks. The Commissioner
32 may establish and may assess fees to be paid to the
33 Commissioner for examinations under this subsection (b). The
34 fees shall be borne by the out-of-state bank, unless the fees

1 are borne by the state regulatory authority that chartered
2 the out-of-state bank, as determined by a cooperative
3 agreement between the Commissioner and the state regulatory
4 authority that chartered the out-of-state bank.

5 (2.5) Whenever any State bank, any subsidiary or
6 affiliate of a State bank, or after May 31, 1997, any branch
7 of an out-of-state bank causes to be performed, by contract
8 or otherwise, any bank services for itself, whether on or off
9 its premises:

10 (a) that performance shall be subject to
11 examination by the Commissioner to the same extent as if
12 services were being performed by the bank or, after May
13 31, 1997, branch of the out-of-state bank itself on its
14 own premises; and

15 (b) the bank or, after May 31, 1997, branch of the
16 out-of-state bank shall notify the Commissioner of the
17 existence of a service relationship. The notification
18 shall be submitted with the first statement of condition
19 (as required by Section 47 of this Act) due after the
20 making of the service contract or the performance of the
21 service, whichever occurs first. The Commissioner shall
22 be notified of each subsequent contract in the same
23 manner.

24 For purposes of this subsection (2.5), the term "bank
25 services" means services such as sorting and posting of
26 checks and deposits, computation and posting of interest and
27 other credits and charges, preparation and mailing of checks,
28 statements, notices, and similar items, or any other
29 clerical, bookkeeping, accounting, statistical, or similar
30 functions performed for a State bank, including but not
31 limited to electronic data processing related to those bank
32 services.

33 (3) The expense of administering this Act, including the
34 expense of the examinations of State banks as provided in

1 this Act, shall to the extent of the amounts resulting from
2 the fees provided for in paragraphs (a), (a-2), and (b) of
3 this subsection (3) be assessed against and borne by the
4 State banks:

5 (a) Each bank shall pay to the Commissioner a Call
6 Report Fee which shall be paid in quarterly installments
7 equal to one-fourth of the sum of the annual fixed fee of
8 \$800, plus a variable fee based on the assets shown on
9 the quarterly statement of condition delivered to the
10 Commissioner in accordance with Section 47 for the
11 preceding quarter according to the following schedule:
12 16¢ per \$1,000 of the first \$5,000,000 of total assets,
13 15¢ per \$1,000 of the next \$20,000,000 of total assets,
14 13¢ per \$1,000 of the next \$75,000,000 of total assets,
15 9¢ per \$1,000 of the next \$400,000,000 of total assets,
16 7¢ per \$1,000 of the next \$500,000,000 of total assets,
17 and 5¢ per \$1,000 of all assets in excess of
18 \$1,000,000,000, of the State bank. The Call Report Fee
19 shall be calculated by the Commissioner and billed to the
20 banks for remittance at the time of the quarterly
21 statements of condition provided for in Section 47. The
22 Commissioner may require payment of the fees provided in
23 this Section by an electronic transfer of funds or an
24 automatic debit of an account of each of the State banks.
25 In case more than one examination of any bank is deemed
26 by the Commissioner to be necessary in any examination
27 frequency cycle specified in subsection 2(a) of this
28 Section, and is performed at his direction, the
29 Commissioner may assess a reasonable additional fee to
30 recover the cost of the additional examination; provided,
31 however, that an examination conducted at the request of
32 the State Treasurer pursuant to the Uniform Disposition
33 of Unclaimed Property Act shall not be deemed to be an
34 additional examination under this Section. In lieu of the

1 method and amounts set forth in this paragraph (a) for
2 the calculation of the Call Report Fee, the Commissioner
3 may specify by rule that the Call Report Fees provided by
4 this Section may be assessed semiannually or some other
5 period and may provide in the rule the formula to be used
6 for calculating and assessing the periodic Call Report
7 Fees to be paid by State banks.

8 (a-1) If in the opinion of the Commissioner an
9 emergency exists or appears likely, the Commissioner may
10 assign an examiner or examiners to monitor the affairs of
11 a State bank with whatever frequency he deems
12 appropriate, including but not limited to a daily basis.
13 The reasonable and necessary expenses of the Commissioner
14 during the period of the monitoring shall be borne by the
15 subject bank. The Commissioner shall furnish the State
16 bank a statement of time and expenses if requested to do
17 so within 30 days of the conclusion of the monitoring
18 period.

19 (a-2) On and after January 1, 1990, the reasonable
20 and necessary expenses of the Commissioner during
21 examination of the performance of electronic data
22 processing services under subsection (2.5) shall be borne
23 by the banks for which the services are provided. An
24 amount, based upon a fee structure prescribed by the
25 Commissioner, shall be paid by the banks or, after May
26 31, 1997, branches of out-of-state banks receiving the
27 electronic data processing services along with the Call
28 Report Fee assessed under paragraph (a) of this
29 subsection (3).

30 (a-3) After May 31, 1997, the reasonable and
31 necessary expenses of the Commissioner during examination
32 of the performance of electronic data processing services
33 under subsection (2.5) at or on behalf of branches of
34 out-of-state banks shall be borne by the out-of-state

1 banks, unless those expenses are borne by the state
2 regulatory authorities that chartered the out-of-state
3 banks, as determined by cooperative agreements between
4 the Commissioner and the state regulatory authorities
5 that chartered the out-of-state banks.

6 (b) "Fiscal year" for purposes of this Section 48
7 is defined as a period beginning July 1 of any year and
8 ending June 30 of the next year. The Commissioner shall
9 receive for each fiscal year, commencing with the fiscal
10 year ending June 30, 1987, a contingent fee equal to the
11 lesser of the aggregate of the fees paid by all State
12 banks under paragraph (a) of subsection (3) for that
13 year, or the amount, if any, whereby the aggregate of the
14 administration expenses, as defined in paragraph (c), for
15 that fiscal year exceeds the sum of the aggregate of the
16 fees payable by all State banks for that year under
17 paragraph (a) of subsection (3), plus any amounts
18 transferred into the Bank and Trust Company Fund from the
19 State Pensions Fund for that year, plus all other amounts
20 collected by the Commissioner for that year under any
21 other provision of this Act, plus the aggregate of all
22 fees collected for that year by the Commissioner under
23 the Corporate Fiduciary Act, excluding the receivership
24 fees provided for in Section 5-10 of the Corporate
25 Fiduciary Act, and the Foreign Banking Office Act. The
26 aggregate amount of the contingent fee thus arrived at
27 for any fiscal year shall be apportioned amongst,
28 assessed upon, and paid by the State banks and foreign
29 banking corporations, respectively, in the same
30 proportion that the fee of each under paragraph (a) of
31 subsection (3), respectively, for that year bears to the
32 aggregate for that year of the fees collected under
33 paragraph (a) of subsection (3). The aggregate amount of
34 the contingent fee, and the portion thereof to be

1 assessed upon each State bank and foreign banking
2 corporation, respectively, shall be determined by the
3 Commissioner and shall be paid by each, respectively,
4 within 120 days of the close of the period for which the
5 contingent fee is computed and is payable, and the
6 Commissioner shall give 20 days advance notice of the
7 amount of the contingent fee payable by the State bank
8 and of the date fixed by the Commissioner for payment of
9 the fee.

10 (c) The "administration expenses" for any fiscal
11 year shall mean the ordinary and contingent expenses for
12 that year incident to making the examinations provided
13 for by, and for otherwise administering, this Act, the
14 Corporate Fiduciary Act, excluding the expenses paid from
15 the Corporate Fiduciary Receivership account in the Bank
16 and Trust Company Fund, the Foreign Banking Office Act,
17 the Electronic Fund Transfer Act, and the Illinois Bank
18 Examiners' Education Foundation Act, including all
19 salaries and other compensation paid for personal
20 services rendered for the State by officers or employees
21 of the State, including the Commissioner and the Deputy
22 Commissioners, all expenditures for telephone and
23 telegraph charges, postage and postal charges, office
24 stationery, supplies and services, and office furniture
25 and equipment, including typewriters and copying and
26 duplicating machines and filing equipment, surety bond
27 premiums, and travel expenses of those officers and
28 employees, employees, expenditures or charges for the
29 acquisition, enlargement or improvement of, or for the
30 use of, any office space, building, or structure, or
31 expenditures for the maintenance thereof or for
32 furnishing heat, light, or power with respect thereto,
33 all to the extent that those expenditures are directly
34 incidental to such examinations or administration. The

1 Commissioner shall not be required by paragraphs (c) or
2 (d-1) of this subsection (3) to maintain in any fiscal
3 year's budget appropriated reserves for accrued vacation
4 and accrued sick leave that is required to be paid to
5 employees of the Commissioner upon termination of their
6 service with the Commissioner in an amount that is more
7 than is reasonably anticipated to be necessary for any
8 anticipated turnover in employees, whether due to normal
9 attrition or due to layoffs, terminations, or
10 resignations.

11 (d) The aggregate of all fees collected by the
12 Commissioner under this Act, the Corporate Fiduciary Act,
13 or the Foreign Banking Office Act on and after July 1,
14 1979, shall be paid promptly after receipt of the same,
15 accompanied by a detailed statement thereof, into the
16 State treasury and shall be set apart in a special fund
17 to be known as the "Bank and Trust Company Fund", except
18 as provided in paragraph (c) of subsection (11) of this
19 Section. The amount from time to time deposited into the
20 Bank and Trust Company Fund shall be used to offset the
21 ordinary administrative expenses of the Commissioner of
22 Banks and Real Estate as defined in this Section. Nothing
23 in this amendatory Act of 1979 shall prevent continuing
24 the practice of paying expenses involving salaries,
25 retirement, social security, and State-paid insurance
26 premiums of State officers by appropriations from the
27 General Revenue Fund. However, the General Revenue Fund
28 shall be reimbursed for those payments made on and after
29 July 1, 1979, by an annual transfer of funds from the
30 Bank and Trust Company Fund.

31 (d-1) Adequate funds shall be available in the Bank
32 and Trust Company Fund to permit the timely payment of
33 administration expenses. In each fiscal year the total
34 administration expenses shall be deducted from the total

1 fees collected by the Commissioner and the remainder
2 transferred into the Cash Flow Reserve Account, unless
3 the balance of the Cash Flow Reserve Account prior to the
4 transfer equals or exceeds one-fourth of the total
5 initial appropriations from the Bank and Trust Company
6 Fund for the subsequent year, in which case the remainder
7 shall be credited to State banks and foreign banking
8 corporations and applied against their fees for the
9 subsequent year. The amount credited to each State bank
10 and foreign banking corporation shall be in the same
11 proportion as the Call Report Fees paid by each for the
12 year bear to the total Call Report Fees collected for the
13 year. If, after a transfer to the Cash Flow Reserve
14 Account is made or if no remainder is available for
15 transfer, the balance of the Cash Flow Reserve Account is
16 less than one-fourth of the total initial appropriations
17 for the subsequent year and the amount transferred is
18 less than 5% of the total Call Report Fees for the year,
19 additional amounts needed to make the transfer equal to
20 5% of the total Call Report Fees for the year shall be
21 apportioned amongst, assessed upon, and paid by the State
22 banks and foreign banking corporations in the same
23 proportion that the Call Report Fees of each,
24 respectively, for the year bear to the total Call Report
25 Fees collected for the year. The additional amounts
26 assessed shall be transferred into the Cash Flow Reserve
27 Account. For purposes of this paragraph (d-1), the
28 calculation of the fees collected by the Commissioner
29 shall exclude the receivership fees provided for in
30 Section 5-10 of the Corporate Fiduciary Act.

31 (e) The Commissioner may upon request certify to
32 any public record in his keeping and shall have authority
33 to levy a reasonable charge for issuing certifications of
34 any public record in his keeping.

1 (f) In addition to fees authorized elsewhere in
2 this Act, the Commissioner may, in connection with a
3 review, approval, or provision of a service, levy a
4 reasonable charge to recover the cost of the review,
5 approval, or service.

6 (4) Nothing contained in this Act shall be construed to
7 limit the obligation relative to examinations and reports of
8 any State bank, deposits in which are to any extent insured
9 by the United States or any agency thereof, nor to limit in
10 any way the powers of the Commissioner with reference to
11 examinations and reports of that bank.

12 (5) The nature and condition of the assets in or
13 investment of any bonus, pension, or profit sharing plan for
14 officers or employees of every State bank or, after May 31,
15 1997, branch of an out-of-state bank shall be deemed to be
16 included in the affairs of that State bank or branch of an
17 out-of-state bank subject to examination by the Commissioner
18 under the provisions of subsection (2) of this Section, and
19 if the Commissioner shall find from an examination that the
20 condition of or operation of the investments or assets of the
21 plan is unlawful, fraudulent, or unsafe, or that any trustee
22 has abused his trust, the Commissioner shall, if the
23 situation so found by the Commissioner shall not be corrected
24 to his satisfaction within 60 days after the Commissioner has
25 given notice to the board of directors of the State bank or
26 out-of-state bank of his findings, report the facts to the
27 Attorney General who shall thereupon institute proceedings
28 against the State bank or out-of-state bank, the board of
29 directors thereof, or the trustees under such plan as the
30 nature of the case may require.

31 (6) The Commissioner shall have the power:

32 (a) To promulgate reasonable rules for the purpose
33 of administering the provisions of this Act including,
34 but not limited to, the establishing of standards for the

1 safe and sound conduct of banks.

2 (a-5) To impose conditions on any approval issued
3 by the Commissioner if he determines that the conditions
4 are necessary or appropriate to ensure that the approval
5 is consistent with applicable statutes, rules, and
6 policies. These conditions shall be imposed in writing
7 and shall continue in effect for the period prescribed by
8 the Commissioner.

9 (b) To issue orders against any person, if the
10 Commissioner has reasonable cause to believe that an
11 unsafe or unsound banking practice has occurred, is
12 occurring, or is about to occur, if any person has
13 violated, is violating, or is about to violate any law,
14 rule, or written agreement with the Commissioner, or for
15 the purpose of administering the provisions of this Act,
16 and any rule promulgated in accordance with this Act.
17 These orders may include, but are not limited to,
18 corrective action orders, orders of removal, orders of
19 prohibition, cease and desist orders, possession and
20 control orders, and orders assessing civil monetary
21 penalties.

22 (b-1) To enter into agreements with a bank
23 establishing a program to correct the condition of the
24 bank or its practices.

25 (c) To appoint hearing officers to execute any of
26 the powers granted to the Commissioner under this Section
27 for the purpose of administering this Act and any rule
28 promulgated in accordance with this Act and otherwise to
29 authorize an officer or employee of the Office of Banks
30 and Real Estate to exercise his powers under this Act.

31 (d) To subpoena witnesses, to compel their
32 attendance, to administer an oath, to examine any person
33 under oath, and to require the production of any relevant
34 books, papers, accounts, and documents in the course of

1 and pursuant to any investigation being conducted, or any
2 action being taken, by the Commissioner in respect of any
3 matter relating to the duties imposed upon, or the powers
4 vested in, the Commissioner under the provisions of this
5 Act or any rule promulgated in accordance with this Act.

6 (e) To conduct hearings.

7 (7) Whenever, in the opinion of the Commissioner, any
8 director, officer, employee, or agent of a State bank or any
9 subsidiary or bank holding company of the bank or, after May
10 31, 1997, of any branch of an out-of-state bank or any
11 subsidiary or bank holding company of the bank shall have
12 violated any law, rule, or order relating to that bank or any
13 subsidiary or bank holding company of the bank, shall have
14 obstructed or impeded any examination or investigation by the
15 Commissioner, or shall have engaged in an unsafe or unsound
16 practice in conducting the business of that bank or any
17 subsidiary or bank holding company of the bank, or shall have
18 violated any law or engaged or participated in any unsafe or
19 unsound practice in connection with any financial institution
20 or other business entity such that the character and fitness
21 of the director, officer, employee, or agent does not assure
22 reasonable promise of safe and sound operation of the State
23 bank, the Commissioner may issue an order of removal. If, in
24 the opinion of the Commissioner, any former director,
25 officer, employee, or agent of a State bank or any subsidiary
26 or bank holding company of the bank, prior to the termination
27 of his or her service with that bank or any subsidiary or
28 bank holding company of the bank, violated any law, rule, or
29 order relating to that State bank or any subsidiary or bank
30 holding company of the bank, obstructed or impeded any
31 examination or investigation by the Commissioner, or engaged
32 in an unsafe or unsound practice in conducting the business
33 of that bank or any subsidiary or bank holding company of the
34 bank, or violated any law or engaged or participated in any

1 unsafe or unsound practice in connection with any financial
2 institution or other business entity such that the character
3 and fitness of the director, officer, employee, or agent
4 would not have assured reasonable promise of safe and sound
5 operation of the State bank, the Commissioner may issue an
6 order prohibiting that person from further service with a
7 bank or any subsidiary or bank holding company of the bank as
8 a director, officer, employee, or agent. An order issued
9 pursuant to this subsection shall be served upon the
10 director, officer, employee, or agent. A copy of the order
11 shall be sent to each director of the bank affected by
12 registered mail. The person affected by the action may
13 request a hearing before the State Banking Board within 10
14 days after receipt of the order ~~of removal~~. The hearing
15 shall be held by the Board within 30 days after the request
16 has been received by the Board. The Board shall make a
17 determination approving, modifying, or disapproving the order
18 of the Commissioner as its final administrative decision. If
19 a hearing is held by the Board, the Board shall make its
20 determination within 60 days from the conclusion of the
21 hearing. Any person affected by a decision of the Board under
22 this subsection (7) of Section 48 of this Act may have the
23 decision reviewed only under and in accordance with the
24 Administrative Review Law and the rules adopted pursuant
25 thereto. A copy of the order shall also be served upon the
26 bank of which he is a director, officer, employee, or agent,
27 whereupon he shall cease to be a director, officer, employee,
28 or agent of that bank. The Commissioner may institute a
29 civil action against the director, officer, or agent of the
30 State bank or, after May 31, 1997, of the branch of the
31 out-of-state bank against whom any order provided for by this
32 subsection (7) of this Section 48 has been issued, and
33 against the State bank or, after May 31, 1997, out-of-state
34 bank, to enforce compliance with or to enjoin any violation

1 of the terms of the order. Any person who has been the
2 subject of an order of removal or an order of prohibition
3 issued by the Commissioner under this subsection or Section
4 5-6 of the Corporate Fiduciary Act may not thereafter serve
5 as director, officer, employee, or agent of any State bank or
6 of any branch of any out-of-state bank, or of any corporate
7 fiduciary, as defined in Section 1-5.05 of the Corporate
8 Fiduciary Act, or of any other entity that is subject to
9 licensure or regulation by the Commissioner or the Office of
10 Banks and Real Estate unless the Commissioner has granted
11 prior approval in writing.

12 For purposes of this paragraph (7), "bank holding
13 company" has the meaning prescribed in Section 2 of the
14 Illinois Bank Holding Company Act of 1957.

15 (8) The Commissioner may impose civil penalties of up to
16 \$10,000 against any person for each violation of any
17 provision of this Act, any rule promulgated in accordance
18 with this Act, any order of the Commissioner, or any other
19 action which in the Commissioner's discretion is an unsafe or
20 unsound banking practice.

21 (9) The Commissioner may impose civil penalties of up to
22 \$100 against any person for the first failure to comply with
23 reporting requirements set forth in the report of examination
24 of the bank and up to \$200 for the second and subsequent
25 failures to comply with those reporting requirements.

26 (10) All final administrative decisions of the
27 Commissioner hereunder shall be subject to judicial review
28 pursuant to the provisions of the Administrative Review Law.
29 For matters involving administrative review, venue shall be
30 in either Sangamon County or Cook County.

31 (11) The endowment fund for the Illinois Bank Examiners'
32 Education Foundation shall be administered as follows:

33 (a) (Blank).

34 (b) The Foundation is empowered to receive

1 voluntary contributions, gifts, grants, bequests, and
2 donations on behalf of the Illinois Bank Examiners'
3 Education Foundation from national banks and other
4 persons for the purpose of funding the endowment of the
5 Illinois Bank Examiners' Education Foundation.

6 (c) The aggregate of all special educational fees
7 collected by the Commissioner and property received by
8 the Commissioner on behalf of the Illinois Bank
9 Examiners' Education Foundation under this subsection
10 (11) on or after June 30, 1986, shall be either (i)
11 promptly paid after receipt of the same, accompanied by a
12 detailed statement thereof, into the State Treasury and
13 shall be set apart in a special fund to be known as "The
14 Illinois Bank Examiners' Education Fund" to be invested
15 by either the Treasurer of the State of Illinois in the
16 Public Treasurers' Investment Pool or in any other
17 investment he is authorized to make or by the Illinois
18 State Board of Investment as the board of trustees of the
19 Illinois Bank Examiners' Education Foundation may direct
20 or (ii) deposited into an account maintained in a
21 commercial bank or corporate fiduciary in the name of the
22 Illinois Bank Examiners' Education Foundation pursuant to
23 the order and direction of the Board of Trustees of the
24 Illinois Bank Examiners' Education Foundation.

25 (12) (Blank).

26 (Source: P.A. 90-14, eff. 7-1-97; 90-301, eff. 8-1-97;
27 90-665, eff. 7-30-98; 91-16, eff. 7-1-99.)

28 (205 ILCS 5/48.5)

29 Sec. 48.5. Reliance on Commissioner.

30 (a) The Commissioner may issue an opinion in response to
31 a specific request from a member of the public or the banking
32 industry or on his own initiative. The opinion may be in the
33 form of an interpretive letter, no-objection letter, or other

1 issuance the Commissioner deems appropriate.

2 (b) If the Commissioner determines that the opinion is
3 useful for the general guidance of the public, State banks,
4 or trust companies, the Commissioner may disseminate the
5 opinion by newsletter, via an electronic medium such as the
6 internet, in a volume of statutes or related materials
7 published by the Commissioner or others, or by other means
8 reasonably calculated to notify persons affected by the
9 opinion. A published opinion must be redacted to preserve
10 the confidentiality of the requesting party unless the
11 requesting party consents to be identified in the published
12 opinion.

13 (c) No bank or other person shall be liable under this
14 Act for any act done or omitted in good faith in conformity
15 with any rule, interpretation, or opinion issued by the
16 Commissioner of Banks and Real Estate, notwithstanding that
17 after the act or omission has occurred, the rule, opinion, or
18 interpretation upon which reliance is placed is amended,
19 rescinded, or determined by judicial or other authority to be
20 invalid for any reason.

21 (Source: P.A. 90-161, eff. 7-23-97; 90-655, eff. 7-30-98.)

22 (205 ILCS 5/48.7 new)

23 Sec. 48.7. Opinions providing State banks parity in
24 regulation. Notwithstanding any other provision of law, if
25 any regulation, rule, interpretation, procedure, or guideline
26 of the Comptroller of the Currency, the Federal Deposit
27 Insurance Corporation, the Federal Reserve Board, or the bank
28 regulatory authority of any other state puts a bank doing
29 business under the provisions of this Act at a disadvantage
30 to a national bank, the Commissioner may issue an opinion or
31 interpretation that reduces or eliminates the disadvantage to
32 a bank doing business under this Act.

(205 ILCS 5/49) (from Ch. 17, par. 361)

Sec. 49. False statements; penalty. It is unlawful for any officer, director, or employee of any State bank or subsidiary or holding company of that bank or, after May 31, 1997, branch out of an out-of-state bank subject to examination by the Commissioner or any person filing an application or notice or submitting information in connection with an application or notice with the Commissioner to who shall willfully and knowingly subscribe to or make, or cause to be made, any false statement or false entry with intent to deceive any person or persons authorized to examine into the affairs of the bank or the subsidiary or holding company of that bank, or the branch of an out-of-state bank, or the applicant or with intent to deceive the Commissioner or his administrative officers in the performance of their duties under this Act. A person who violates this Section is, upon conviction thereof, shall be guilty of a Class 3 felony.

(Source: P.A. 89-208, eff. 9-29-95.)

(205 ILCS 5/51) (from Ch. 17, par. 363)

Sec. 51. Capital impairment, etc.; correction.

(a) If the Commissioner with respect to a State bank shall find:

(1) its capital is impaired or it is otherwise in an unsound condition; or

(2) its business is being conducted in an unlawful, including, without limitation, in violation of any provisions of this Act, or in a fraudulent or unsafe manner; or

(3) it is unable to continue operations; or

(4) its examination has been obstructed or impeded; the Commissioner may give notice to the board of directors or his finding or findings. If the situation so found by the Commissioner shall not be corrected to his

1 satisfaction within a period of at least sixty but no
2 more than one hundred and eighty days after receipt of
3 such notice, which period shall be determined by the
4 Commissioner and set forth in the notice, the
5 Commissioner at the termination of said period shall take
6 possession and control of the bank and its assets as in
7 this Act provided for the purpose of examination,
8 reorganization or liquidation through receivership.

9 (b) Notwithstanding any other provision of this Act, if
10 the Commissioner has given notice to the board of directors
11 of his findings, as provided in subsection (a), and the time
12 period prescribed in that notice has expired, the
13 Commissioner may extend the time period prescribed in that
14 notice for such period as the Commissioner deems appropriate.

15 (Source: P.A. 87-841.)

16 (205 ILCS 5/53) (from Ch. 17, par. 365)

17 Sec. 53. Commissioner's possession; power. The
18 Commissioner may take possession and control of a state bank
19 and its assets, by posting upon the premises a notice
20 reciting that he is assuming possession pursuant to this Act,
21 and the time when his possession shall be deemed to commence,
22 which time shall not pre-date the posting of the notice.
23 Promptly after taking possession and control of a bank, if
24 the Federal Deposit Insurance Corporation is not appointed as
25 receiver, the Commissioner shall file a copy of the notice
26 posted upon the premises in the circuit court in the county
27 in which the bank is located, and thereupon the clerk of such
28 court shall note the filing thereof upon the records of the
29 court, and shall enter such cause as a court action upon the
30 dockets of such court under the name and style of "In the
31 matter of the possession and control of the Commissioner of
32 Banks and Real Estate of" (inserting the name of such
33 bank), and thereupon the court wherein such cause is docketed

1 shall be vested with jurisdiction to hear and determine all
2 issues and matters pertaining to or connected with the
3 Commissioner's possession and control of such bank as
4 provided in this Act, and such further issues and matters
5 pertaining to or connected with the Commissioner's possession
6 and control as may be submitted to such court for its
7 adjudication by the Commissioner. When the Commissioner has
8 taken possession and control of a bank and its assets, he
9 shall be vested with the full powers of management and
10 control, including without limiting the generality thereof,
11 the following:

12 (1) the power to continue or to discontinue the
13 business;

14 (2) the power to stop or to limit the payment of
15 its obligations, provided, however with respect to a
16 qualified financial contract between any party and a bank
17 or banking office, the branch or agency of which the
18 Commissioner has taken possession and control, which
19 party has a perfected security interest in collateral or
20 other valid lien or security interest in collateral
21 enforceable against third parties pursuant to a security
22 arrangement related to that qualified financial contract,
23 the party may retain all of the collateral and upon
24 repudiation or termination of that qualified financial
25 contract in accordance with its terms apply the
26 collateral in satisfaction of any claims secured by the
27 collateral; in no event shall the total amount so applied
28 exceed the global net payment obligation, if any;

29 (3) the power to collect and to use its assets and
30 to give valid receipts and acquittances therefor;

31 (4) the power to employ and to pay any necessary
32 assistants;

33 (5) the power to execute any instrument in the name
34 of the bank;

1 (6) the power to commence, defend and conduct in
2 its name any action or proceeding in which it may be a
3 party;

4 (7) the power, upon the order of the court, to sell
5 and convey its assets in whole or in part, and to sell or
6 compound bad or doubtful debts upon such terms and
7 conditions as may be fixed in such order;

8 (8) the power, upon the order of the court, to make
9 and to carry out agreements with other banks or with the
10 United States or any agency thereof which shall have
11 insured the bank's deposits, in whole or in part, for the
12 payment or assumption of the bank's liabilities, in whole
13 or in part, and to transfer assets and to make
14 guaranties, in whole or in part, and to transfer assets
15 and to make guaranties in connection therewith;

16 (9) the power, upon the order of the court, to
17 borrow money in the name of the bank and to pledge its
18 assets as security for the loan;

19 (10) the power to terminate his possession and
20 control by restoring the bank to its board of directors;

21 (11) the power to reorganize the bank as provided
22 in this Act;

23 (12) the power to appoint a receiver and to order
24 liquidation of the bank as provided in this Act; and

25 (13) the power, upon the order of the court and
26 without the appointment of a receiver, to determine that
27 the bank has been closed for the purpose of liquidation
28 without adequate provision being made for payment of its
29 depositors, and thereupon the bank shall be deemed to
30 have been closed on account of inability to meet the
31 demands of its depositors.

32 As soon as practical after taking possession, the
33 Commissioner shall make his examination of the condition of
34 the bank and an inventory of the assets. Unless the time

1 shall be extended by order of the court and, unless the
2 Commissioner shall have otherwise settled the affairs of a
3 bank pursuant to the provisions of this Act, at the
4 termination of thirty days from the time of taking possession
5 and control of a bank for the purpose of examination,
6 reorganization or liquidation through receivership, the
7 Commissioner shall either terminate his possession and
8 control by restoring the bank to its board of directors or
9 appoint a receiver and order the liquidation of the bank as
10 provided in this Act. All necessary and reasonable expenses
11 of the Commissioner's possession and control and of its
12 reorganization shall be borne by the bank and may be paid by
13 the Commissioner from its assets. If the Federal Deposit
14 Insurance Corporation is appointed by the Commissioner as
15 receiver of a State bank, or the Federal Deposit Insurance
16 Corporation takes possession of such State bank, the
17 receivership proceedings and the powers and duties of the
18 Federal Deposit Insurance Corporation shall be governed by
19 the Federal Deposit Insurance Act and regulations promulgated
20 thereunder rather than the provisions of this Act.

21 (Source: P.A. 89-364, eff. 8-18-95; 89-508, eff. 7-3-96.)

22 Section 15. The Illinois Bank Holding Company Act of
23 1957 is amended by changing Section 3.074 as follows:

24 (205 ILCS 10/3.074) (from Ch. 17, par. 2510.04)

25 Sec. 3.074. Powers; administrative review.

26 (a) The Commissioner shall have the power and authority:

27 (1) ~~(a)~~ to promulgate reasonable procedural rules
28 for the purposes of administering the provisions of this
29 Act. The Commissioner shall specify the form of any
30 application, report or document that is required to be
31 filed with the Commissioner pursuant to this Act;

32 (2) ~~(b)~~ to issue orders for the purpose of

1 administering the provisions of this Act and any rule
2 promulgated in accordance with this Act;

3 (3) ~~(e)~~ to appoint hearing officers to execute any
4 of the powers granted to the Commissioner under this
5 Section for the purpose of administering this Act or any
6 rule promulgated in accordance with this Act; and

7 (4) ~~(d)~~ to subpoena witnesses, to compel their
8 attendance, to administer an oath, to examine any person
9 under oath and to require the production of any relevant
10 books, papers, accounts and documents in the course of
11 and pursuant to any investigation or hearing being
12 conducted or any action being taken by the Commissioner
13 in respect to any matter relating to the duties imposed
14 upon or the powers vested in the Commissioner under the
15 provisions of this Act or any rule promulgated in
16 accordance with this Act. ~~;-and~~

17 (b) Whenever, in the opinion of the Commissioner, any
18 director, officer, employee, or agent of any bank holding
19 company or subsidiary or affiliate of that company shall have
20 violated any law, rule, or order relating to that bank
21 holding company or subsidiary or affiliate of that company,
22 shall have obstructed or impeded any examination or
23 investigation by the Commissioner, shall have engaged in
24 an unsafe or unsound practice in conducting the business
25 of that bank holding company or subsidiary or affiliate of
26 that company, or shall have violated any law or engaged or
27 participated in any unsafe or unsound practice in
28 connection with any financial institution or other business
29 entity such that the character and fitness of the director,
30 officer, employee, or agent does not assure reasonable
31 promise of safe and sound operation of the bank holding
32 company, the Commissioner may issue an order of removal. If,
33 in the opinion of the Commissioner, any former director,
34 officer, employee, or agent of a bank holding company or

1 subsidiary or affiliate of that company, prior to the
2 termination of his or her service with that holding company
3 or subsidiary or affiliate of that company, violated any law,
4 rule, or order relating to that bank holding company or
5 subsidiary or affiliate of that company, obstructed or
6 impeded any examination or investigation by the Commissioner,
7 engaged in an unsafe or unsound practice in conducting the
8 business of that bank holding company or subsidiary or
9 affiliate of that company, or violated any law or engaged
10 or participated in any unsafe or unsound practice in
11 connection with any financial institution or other business
12 entity such that the character and fitness of the director,
13 officer, employee, or agent would not have assured
14 reasonable promise of safe and sound operation of the bank
15 holding company, the Commissioner may issue an order
16 prohibiting that person from further service with a bank
17 holding company or subsidiary or affiliate of that company as
18 a director, officer, employee, or agent.

19 An order issued pursuant to this subsection shall be
20 served upon the director, officer, employee, or agent. A copy
21 of the order shall be sent to each director of the bank
22 holding company affected by registered mail. The person
23 affected by the action may request a hearing before the State
24 Banking Board within 10 days after receipt of the order. The
25 hearing shall be held by the State Banking Board within 30
26 days after the request has been received by the State Banking
27 Board. The State Banking Board shall make a determination
28 approving, modifying, or disapproving the order of the
29 Commissioner as its final administrative decision. If a
30 hearing is held by the State Banking Board, the State Banking
31 Board shall make its determination within 60 days from the
32 conclusion of the hearing. Any person affected by a decision
33 of the State Banking Board under this subsection may have the
34 decision reviewed only under and in accordance with the

1 Administrative Review Law and the rules adopted pursuant
2 thereto. A copy of the order shall also be served upon the
3 bank holding company of which he is a director, officer,
4 employee, or agent, whereupon he shall cease to be a
5 director, officer, employee, or agent of that bank holding
6 company.

7 The Commissioner may institute a civil action against the
8 director, officer, employee, or agent of the bank holding
9 company, against whom any order provided for by this
10 subsection has been issued, to enforce compliance with or to
11 enjoin any violation of the terms of the order.

12 Any person who has been the subject of an order of
13 removal or an order of prohibition issued by the Commissioner
14 under this subsection, subdivision (7) of Section 48 of the
15 Illinois Banking Act, or Section 5-6 of the Corporate
16 Fiduciary Act may not thereafter serve as director, officer,
17 employee, or agent of any holding company, State bank, or
18 branch of any out-of-state bank, of any corporate fiduciary,
19 as defined in Section 1-5.05 of the Corporate Fiduciary Act,
20 or of any other entity that is subject to licensure or
21 regulation by the Commissioner or the Office of Banks and
22 Real Estate unless the Commissioner has granted prior
23 approval in writing.

24 (c) (e) All final administrative decisions of the
25 Commissioner under this Act shall be subject to judicial
26 review pursuant to provisions of the Administrative Review
27 Law. For matters involving administrative review, venue shall
28 be in either Sangamon County or Cook County.

29 (Source: P.A. 86-754.)

30 Section 20. The Illinois Savings and Loan Act of 1985 is
31 amended by changing Section 1-6, 2B-2, 2B-5, and 5-16 as
32 follows:

1 (205 ILCS 105/1-6) (from Ch. 17, par. 3301-6)

2 Sec. 1-6. General corporate powers. An association
3 operating under this Act shall be a body corporate and
4 politic and shall have all of the powers conferred by this
5 Act including, but not limited to, the following powers:

6 (a) To sue and be sued, complain and defend in its
7 corporate name, and to have a common seal, which it may alter
8 or renew at pleasure;

9 (b) To obtain and maintain insurance of the
10 association's withdrawable capital by an insurance
11 corporation as defined in this Act;

12 (c) Notwithstanding anything to the contrary contained
13 in this Act, to become a member of the Federal Home Loan
14 Bank, and to have all of the powers granted to a savings or
15 thrift institution organized under the laws of the United
16 States and which is located and doing business in the State
17 of Illinois, subject to regulations of the Commissioner;

18 (d) To act as a fiscal agent for the United States, the
19 State of Illinois or any department, branch, arm or agency of
20 the State or any unit of local government or school district
21 in the State when duly designated for that purpose, and as
22 agent to perform the reasonable functions as may be required
23 of it;

24 (e) To become a member of or deal with any corporation
25 or agency of the United States or the State of Illinois, to
26 the extent that the agency assists in furthering or
27 facilitating the association's purposes or powers and to that
28 end to purchase stock or securities thereof or deposit money
29 therewith, and to comply with any other conditions of
30 membership or credit;

31 (f) To make donations in reasonable amounts for the
32 public welfare or for charitable, scientific, religious or
33 educational purposes;

34 (g) To adopt and operate reasonable insurance, bonus,

1 profit sharing, and retirement plans for officers and
2 employees; likewise, directors who are not officers,
3 including, but not limited to, advisory, honorary, and
4 emeritus directors, may participate in those plans;

5 (h) To reject any application for membership, to retire
6 withdrawable capital by enforced retirement as provided in
7 this Act and the by-laws, and to limit the issuance of or
8 payments on withdrawable capital, subject, however, to
9 contractual obligations;

10 (i) To purchase stock in service corporations and to
11 invest in any form of indebtedness of any service corporation
12 as defined in this Act, subject to regulations of the
13 Commissioner;

14 (j) To purchase stock of a corporation whose principal
15 purpose is to operate a safe deposit company or escrow
16 service company;

17 (k) To act as Trustee or Custodian under the Federal
18 Self-Employed Individuals' Tax Retirement Act of 1962 or any
19 amendments thereto or any other retirement account and invest
20 any funds held in such capacity in a savings account of the
21 institution;

22 (l) (Blank);

23 (m) To establish, maintain and operate terminals as
24 authorized by the Electronic Fund Transfer Act and by Section
25 5 of the Illinois Banking Act. The establishment,
26 maintenance, operation and location of such terminals shall
27 be subject to the approval of the Commissioner;

28 (n) Subject to the approval and regulations of the
29 Commissioner, an association may purchase or assume all or
30 any part of the assets or liabilities of an eligible insured
31 bank;

32 (o) To purchase from a bank, as defined in Section 2 of
33 the Illinois Banking Act, an insubstantial portion of the
34 total deposits of an insured bank. For the purpose of this

1 subparagraph, "insubstantial portion of the total deposits"
2 shall have the same meaning as provided in Section 5(d)(2)(D)
3 of the Federal Deposit Insurance Act;

4 (p) To effect an acquisition of or conversion to another
5 financial institution pursuant to Section 205 of the
6 Financial Institutions Reform, Recovery and Enforcement Act
7 of 1989;

8 (q) To pledge its assets:

9 (1) to enable it to act as an agent for the sale of
10 obligations of the United States;

11 (2) to secure deposits;

12 (3) to secure deposits of money whenever required
13 by the National Bankruptcy Act;

14 (4) ~~(Blank) to qualify under Section 2-9 of the~~
15 ~~Corporate Fiduciary Act;~~ and

16 (5) to secure trust funds commingled with the
17 institution's funds, whether deposited by the institution
18 or an affiliate of the institution, as required under
19 Section 2-8 of the Corporate Fiduciary Act;

20 (r) To provide temporary periodic service to persons
21 residing in a bona fide nursing home, senior citizens'
22 retirement home, or long-term care facility;

23 (s) To purchase for its own account shares of stock of a
24 bankers' bank, described in Section 13(b)(1) of the Illinois
25 Banking Act, on the same terms and conditions as a bank may
26 purchase such shares. In no event shall the total amount of
27 such stock held by an association in such bankers' bank
28 exceed 10% of its capital and surplus (including undivided
29 profits) and in no event shall an association acquire more
30 than 5% of any class of voting securities of such bankers'
31 bank;

32 (t) To effect a conversion to a State bank pursuant to
33 the provisions of the Illinois Banking Act;

34 (u) Subject to Article XLIV of the Illinois Insurance

1 Code, to act as the agent for any fire, life, or other
 2 insurance company authorized by the State of Illinois, by
 3 soliciting and selling insurance and collecting premiums on
 4 policies issued by such company; and may receive for services
 5 so rendered such fees or commissions as may be agreed upon
 6 between the said association and the insurance company for
 7 which it may act as agent; provided, however, that no such
 8 association shall in any case assume or guarantee the payment
 9 of any premium on insurance policies issued through its
 10 agency by its principal; and provided further, that the
 11 association shall not guarantee the truth of any statement
 12 made by an assured in filing his application for insurance;
 13 and

14 (v) To exercise all powers necessary to qualify as a
 15 trustee or custodian under federal or State law, however, the
 16 authority to accept and execute trusts is subject to the
 17 Corporate Fiduciary Act and to the supervision of those
 18 activities by the Commissioner.

19 (Source: P.A. 90-14, eff. 7-1-97; 90-41, eff. 10-1-97; 91-97,
 20 eff. 7-9-99.)

21 (205 ILCS 105/2B-2) (from Ch. 17, par. 3302B-2)

22 Sec. 2B-2. Notice of filing of application; hearing;
 23 renewal of certificate.

24 (a) Whenever such association has complied with the
 25 provisions of this Act, and the Commissioner is satisfied
 26 that such association and any subsidiary operating in this
 27 State are ~~is~~ doing business according to the laws of this
 28 State, and are ~~is~~ in sound financial condition, he shall
 29 authorize the association to publish in newspapers of general
 30 circulation in the State of Illinois, notice of filing of its
 31 application, provided that subsections (a) through (e) of
 32 this Section shall not apply in the case of merger,
 33 consolidation, or purchase as set forth in paragraph (c) of

1 Section 2B-1. Publication in the manner and on forms
2 prescribed by the Commissioner in the county of the proposed
3 office of the association shall be made within 15 days of
4 authorization.

5 (b) Within 10 days following the date of publication of
6 notice of application any association or person wishing to
7 object to any application filed pursuant to Section 2B-1
8 shall:

9 (1) file in triplicate, on forms prescribed by the
10 Commissioner, its verified objections at the Springfield
11 Office of the Commissioner; and

12 (2) serve the applicant or its attorney of record
13 with a copy of the objections and show proof of service
14 of said copy.

15 (c) If the Commissioner considers the verified
16 objections to be substantial, he shall so advise the objector
17 and the applicant within 15 calendar days after receipt of
18 the objections and shall issue notice of intent to conduct a
19 hearing on the application. Such notice shall provide for
20 public examination of the application. A determination that
21 an objection is substantial shall be based only on data
22 showing undue injury to properly conducted existing
23 associations or data disputing the propriety of information
24 set forth in the application, or both.

25 (d) The Commissioner shall conduct a hearing upon
26 receipt of an objection filed on time and containing the
27 following:

28 (1) a summary of the reasons for the objection;

29 (2) the specific matters in the application to
30 which objection is raised and the reasons for each
31 objection;

32 (3) facts supporting the objection, including
33 relevant economic or financial data; and

34 (4) adverse effects on the objector which may

1 result from approval of the application.

2 The time and place of said hearing shall be established
3 by the Commissioner and 20 days notice shall be given to all
4 parties of record. The hearing shall be conducted in
5 conformance with administrative hearing procedures
6 established pursuant to rules and regulations adopted by the
7 Commissioner. A transcript of any such hearing shall be
8 taken and made a part of the record in the matter.

9 (e) A certificate of authority shall not be issued
10 unless the Commissioner finds that a need exists for savings
11 and loan association services in the community or area of
12 operations of the applicant association and the applicant
13 association will satisfy said need or that the association
14 can be maintained without undue injury to properly conducted
15 existing associations.

16 (f) Annually thereafter, upon the filing of the annual
17 statement herein provided for, if the Commissioner finds that
18 the association and any subsidiary operating in this State
19 are is doing business in accordance with this Act and are is
20 otherwise in sound financial condition, he shall issue a
21 renewal of such certificate of Authority.

22 (Source: P.A. 86-210; 86-952.)

23 (205 ILCS 105/2B-5) (from Ch. 17, par. 3302B-5)

24 Sec. 2B-5. Cancellation of authority; notice. Should
25 the Commissioner find, upon examination, that any foreign
26 association or any subsidiary operating in Illinois does not
27 conduct its business in accordance with the law, or that the
28 affairs of any such association or subsidiary are in an
29 unsound condition, or if such association refuses to permit
30 examination to be made, he may cancel the authority of such
31 association to do business in this State, and cause a notice
32 thereof to be sent to the home office of the association, and
33 to be published in at least one newspaper in the City of

1 Springfield. After the publication of such notice, it shall
2 be unlawful for any agent of the association to receive any
3 further stock deposits from members residing in this State,
4 except payments on stock on which a loan has been taken.

5 (Source: P.A. 85-1143.)

6 (205 ILCS 105/5-16) (from Ch. 17, par. 3305-16)

7 Sec. 5-16. Limitation on loans to a single borrower.

8 Except for loans to its wholly owned service corporations, an
9 association may not at any one time hold, directly or
10 indirectly, loans to any one corporation or person in a total
11 amount equal to or in excess of 10% of the association's
12 total withdrawable accounts or an amount equal to the total
13 net worth of the association, whichever is less. An
14 association may make loans to a wholly owned service
15 corporation in an amount equal to the association's net worth
16 or in an amount that exceeds an association's net worth if
17 such excess amount is secured by collateral, of a type upon
18 which the association itself could lend, of a value
19 determined in accordance with rules and regulations
20 promulgated by the Commissioner.

21 (a) In computing the total mortgage loans made by an
22 association to an individual, there shall be included all
23 mortgage loans made by the association to a partnership or
24 other unincorporated association of which he is a member, the
25 unpaid balance of mortgage loans made either for his benefit
26 or for the benefit of such partnership or other
27 unincorporated association and all mortgage loans to or for
28 the benefit of a corporation of which he owns or controls 25%
29 or more of the capital stock.

30 (b) In computing the total mortgage loans made by an
31 association to a partnership or other unincorporated
32 association, there shall be included the unpaid balance of
33 mortgage loans to its individual members, the unpaid balance

1 of mortgage loans made for the benefit of such partnership or
2 other unincorporated association, or of any member thereof,
3 and all mortgage loans to or for the benefit of any
4 corporation of which the partnership or unincorporated
5 association, or any member thereof, owns or controls 25% or
6 more of the capital stock.

7 (c) In computing the total mortgage loans made by an
8 association to a corporation, there shall be included the
9 unpaid balance of mortgage loans made for the benefit of the
10 corporation and all mortgage loans to or for the benefit of
11 any individual who owns or controls 25% or more of the
12 capital stock of such corporation.

13 (d) This Section does not apply to the obligations as
14 endorser, whether with or without recourse, or as guarantor,
15 whether conditional or unconditional, of negotiable or
16 nonnegotiable installment consumer paper of the person
17 transferring the same if the association's files or the
18 knowledge of its officers of the financial condition of each
19 maker of those obligations is reasonably adequate and if an
20 officer of the association, designated for that purpose by
21 the board of directors of the association, certifies that the
22 responsibility of each maker of the obligations has been
23 evaluated and that the association is relying primarily upon
24 each maker for the payment of the obligations. The
25 certification shall be in writing and shall be retained as
26 part of the records of the association.

27 (Source: P.A. 86-137.)

28 Section 25. The Savings Bank Act is amended by changing
29 Sections 1007.35, 1008, 4005, 6013, 8015, 10001, 11003,
30 11004, and 11008 and adding Section 5010 as follows:

31 (205 ILCS 205/1007.35) (from Ch. 17, par. 7301-7.35)
32 Sec. 1007.35. "Control", unless specified otherwise in

1 this Act, shall mean:

2 (1) the ability of any person, entity, persons, or
3 entities acting alone or in concert with one or more persons
4 or entities, to own, hold, or direct with power to vote, or
5 to hold proxies representing, 10% or more of the voting
6 shares or rights of a savings bank, savings bank subsidiary,
7 savings bank affiliate, or savings bank holding company; or

8 (2) the ability to achieve in any manner the election or
9 appointment of a majority of the directors of a savings
10 bank; or

11 (3) the power to direct or exercise significant
12 influence over the management or policies of the savings bank
13 or savings bank affiliate.

14 "Control" does not include ~~This--definition--shall--not~~
15 ~~apply--to~~ the voting of proxies obtained from depositors if
16 the proxies are voted as directed by a majority of the board
17 of directors of the savings bank or of a committee of
18 directors when the committee's composition and powers may be
19 revoked by a majority vote of the board of directors.

20 (Source: P.A. 86-1213.)

21 (205 ILCS 205/1008) (from Ch. 17, par. 7301-8)
22 Sec. 1008. General corporate powers.

23 (a) A savings bank operating under this Act shall be a
24 body corporate and politic and shall have all of the powers
25 conferred by this Act including, but not limited to, the
26 following powers:

27 (1) To sue and be sued, complain, and defend in its
28 corporate name and to have a common seal, which it may
29 alter or renew at pleasure.

30 (2) To obtain and maintain insurance by a deposit
31 insurance corporation as defined in this Act.

32 (3) To act as a fiscal agent for the United States,
33 the State of Illinois or any department, branch, arm, or

1 agency of the State or any unit of local government or
2 school district in the State, when duly designated for
3 that purpose, and as agent to perform reasonable
4 functions as may be required of it.

5 (4) To become a member of or deal with any
6 corporation or agency of the United States or the State
7 of Illinois, to the extent that the agency assists in
8 furthering or facilitating its purposes or powers and to
9 that end to purchase stock or securities thereof or
10 deposit money therewith, and to comply with any other
11 conditions of membership or credit.

12 (5) To make donations in reasonable amounts for the
13 public welfare or for charitable, scientific, religious,
14 or educational purposes.

15 (6) To adopt and operate reasonable insurance,
16 bonus, profit sharing, and retirement plans for officers
17 and employees and for directors including, but not
18 limited to, advisory, honorary, and emeritus directors,
19 who are not officers or employees.

20 (7) To reject any application for membership; to
21 retire deposit accounts by enforced retirement as
22 provided in this Act and the bylaws; and to limit the
23 issuance of, or payments on, deposit accounts, subject,
24 however, to contractual obligations.

25 (8) To purchase stock in service corporations and
26 to invest in any form of indebtedness of any service
27 corporation as defined in this Act, subject to
28 regulations of the Commissioner.

29 (9) To purchase stock of a corporation whose
30 principal purpose is to operate a safe deposit company or
31 escrow service company.

32 (10) To exercise all the powers necessary to
33 qualify as a trustee or custodian under federal or State
34 law, provided that the authority to accept and execute

1 trusts is subject to the provisions of the Corporate
2 Fiduciary Act and to the supervision of those activities
3 by the Commissioner.

4 (11) (Blank).

5 (12) To establish, maintain, and operate terminals
6 as authorized by the Electronic Fund Transfer Act.

7 (13) To pledge its assets:

8 (A) to enable it to act as agent for the sale
9 of obligations of the United States;

10 (B) to secure deposits;

11 (C) to secure deposits of money whenever
12 required by the National Bankruptcy Act;

13 (D) (blank) ~~to qualify under Section 2-9 of~~
14 ~~the Corporate Fiduciary Act;~~ and

15 (E) to secure trust funds commingled with the
16 savings bank's funds, whether deposited by the
17 savings bank or an affiliate of the savings bank, as
18 required under Section 2-8 of the Corporate
19 Fiduciary Act.

20 (14) To accept for payment at a future date not to
21 exceed one year from the date of acceptance, drafts drawn
22 upon it by its customers; and to issue, advise, or
23 confirm letters of credit authorizing holders thereof to
24 draw drafts upon it or its correspondents.

25 (15) Subject to the regulations of the
26 Commissioner, to own and lease personal property acquired
27 by the savings bank at the request of a prospective
28 lessee and, upon the agreement of that person, to lease
29 the personal property.

30 (16) To establish temporary service booths at any
31 International Fair in this State that is approved by the
32 United States Department of Commerce for the duration of
33 the international fair for the purpose of providing a
34 convenient place for foreign trade customers to exchange

1 their home countries' currency into United States
2 currency or the converse. To provide temporary periodic
3 service to persons residing in a bona fide nursing home,
4 senior citizens' retirement home, or long-term care
5 facility. These powers shall not be construed as
6 establishing a new place or change of location for the
7 savings bank providing the service booth.

8 (17) To indemnify its officers, directors,
9 employees, and agents, as authorized for corporations
10 under Section 8.75 of the Business Corporations Act of
11 1983.

12 (18) To provide data processing services to others
13 on a for-profit basis.

14 (19) To utilize any electronic technology to
15 provide customers with home banking services.

16 (20) Subject to the regulations of the
17 Commissioner, to enter into an agreement to act as a
18 surety.

19 (21) Subject to the regulations of the
20 Commissioner, to issue credit cards, extend credit
21 therewith, and otherwise engage in or participate in
22 credit card operations.

23 (22) To purchase for its own account shares of
24 stock of a bankers' bank, described in Section 13(b)(1)
25 of the Illinois Banking Act, on the same terms and
26 conditions as a bank may purchase such shares. In no
27 event shall the total amount of such stock held by a
28 savings bank in such bankers' bank exceed 10% of its
29 capital and surplus (including undivided profits) and in
30 no event shall a savings bank acquire more than 5% of any
31 class of voting securities of such bankers' bank.

32 (23) With respect to affiliate facilities:

33 (A) to conduct at affiliate facilities any of
34 the following transactions for and on behalf of any

1 affiliated depository institution, if so authorized
2 by the affiliate or affiliates: receiving deposits;
3 renewing deposits; cashing and issuing checks,
4 drafts, money orders, travelers checks, or similar
5 instruments; changing money; receiving payments on
6 existing indebtedness; and conducting ministerial
7 functions with respect to loan applications,
8 servicing loans, and providing loan account
9 information; and

10 (B) to authorize an affiliated depository
11 institution to conduct for and on behalf of it, any
12 of the transactions listed in this subsection at one
13 or more affiliate facilities.

14 A savings bank intending to conduct or to authorize
15 an affiliated depository institution to conduct at an
16 affiliate facility any of the transactions specified in
17 this subsection shall give written notice to the
18 Commissioner at least 30 days before any such transaction
19 is conducted at an affiliate facility. All conduct under
20 this subsection shall be on terms consistent with safe
21 and sound banking practices and applicable law.

22 (24) Subject to Article XLIV of the Illinois
23 Insurance Code, to act as the agent for any fire, life,
24 or other insurance company authorized by the State of
25 Illinois, by soliciting and selling insurance and
26 collecting premiums on policies issued by such company;
27 and may receive for services so rendered such fees or
28 commissions as may be agreed upon between the said
29 savings bank and the insurance company for which it may
30 act as agent; provided, however, that no such savings
31 bank shall in any case assume or guarantee the payment of
32 any premium on insurance policies issued through its
33 agency by its principal; and provided further, that the
34 savings bank shall not guarantee the truth of any

1 statement made by an assured in filing his application
2 for insurance.

3 (25) To become a member of the Federal Home Loan
4 Bank and to have the powers granted to a savings
5 association organized under the Illinois Savings and Loan
6 Act of 1985 or the laws of the United States, subject to
7 regulations of the Commissioner.

8 (26) To offer any product or service that is at the
9 time authorized or permitted to a bank by applicable law,
10 but subject always to the same limitations and
11 restrictions that are applicable to the bank for the
12 product or service by such applicable law and subject to
13 the applicable provisions of the Financial Institutions
14 Insurance Sales Law and rules of the Commissioner.

15 (b) If this Act or the regulations adopted under this
16 Act fail to provide specific guidance in matters of corporate
17 governance, the provisions of the Business Corporation Act of
18 1983 may be used.

19 (Source: P.A. 90-14, eff. 7-1-97; 90-41, eff. 10-1-97;
20 90-270, eff. 7-30-97; 90-301, eff. 8-1-97; 90-655, eff.
21 7-30-98; 90-665, eff. 7-30-98; 91-97, eff. 7-9-99; 91-357,
22 eff. 7-29-99.)

23 (205 ILCS 205/4005) (from Ch. 17, par. 7304-5)
24 Sec. 4005. Voting.

25 (a) Voting at a meeting may be either in person or by
26 proxy executed in writing by the member or stockholder or by
27 his duly authorized attorney-in-fact.

28 (b) In the determination of all questions requiring
29 ascertainment of who is entitled to vote and of the number of
30 outstanding shares, the following rules shall apply:

31 (1) The date of determination shall be the record
32 date for voting provided in this Act.

33 (2) Each person holding one or more withdrawable

1 accounts in a mutual savings bank shall have the vote of
 2 one share for each \$100 of the aggregate withdrawal value
 3 of the accounts and shall have the vote of one share for
 4 any fraction of \$100; however, subject to regulation of
 5 the Commissioner, a mutual savings bank may in its
 6 by-laws limit the number of votes a person may cast to
 7 1,000 votes. A mutual savings bank may adopt a different
 8 voting arrangement if the Commissioner finds that the
 9 arrangement would not be inequitable to members and if
 10 the members approve the arrangement by an affirmative
 11 vote of at least two-thirds of the votes entitled to be
 12 cast, however, the voting arrangement need not obtain the
 13 foregoing member approval if such voting arrangement is
 14 otherwise approved as part of a corporate change under
 15 this Act.

16 (3) Each holder of capital stock held shall have
 17 one vote for each share held.

18 (4) Shares owned by the savings bank shall not be
 19 counted or voted.

20 (5) A savings bank authorized to issue stock shall
 21 provide in its articles of incorporation that voting
 22 rights shall may be vested exclusively in stockholders.

23 (Source: P.A. 91-97, eff. 7-9-99.)

24 (205 ILCS 205/5010 new)

25 Sec. 5010. Final judgment required. Except in an action
 26 brought by the Commissioner or the deposit insurance
 27 corporation, and any other provision of law notwithstanding,
 28 no attachment, injunction, or execution that would have the
 29 effect of reducing the capital of any savings bank below
 30 applicable minimum regulatory requirements shall be issued
 31 against any savings bank or its property in any suit, action,
 32 or proceeding in any court before final judgment, from which
 33 no appeal can be taken, is rendered.

1 (205 ILCS 205/6013) (from Ch. 17, par. 7306-13)

2 Sec. 6013. Loans to one borrower.

3 (a) Except as provided in subsection (c), the total
4 loans and extensions of credit, both direct and indirect, by
5 a savings bank to any person, other than a municipal
6 corporation for money borrowed, outstanding at one time shall
7 not exceed 20% of the savings bank's total capital plus
8 general loan loss reserves.

9 (b) Except as provided in subsection (c), the total
10 loans and extensions of credit, both direct and indirect, by
11 a savings bank to any person outstanding at one time and at
12 least 100% secured by readily marketable collateral having a
13 market value, as determined by reliable and continuously
14 available price quotations, shall not exceed 10% of the
15 savings bank's total capital plus general loan loss reserves.
16 This limitation shall be separate from and in addition to the
17 limitation contained in subsection (a).

18 (c) If the limit under subsection (a) or (b) on total
19 loans to one borrower is less than \$500,000, a savings bank
20 that meets its minimum capital requirement under this Act may
21 have loan and extensions of credit, both direct and indirect,
22 outstanding to any person at one time not to exceed \$500,000.
23 With the prior written approval of the Commissioner, a
24 savings bank that has capital in excess of 6% of assets may
25 make loans and extensions of credit to one borrower for the
26 development of residential housing properties, located or to
27 be located in this State, not to exceed 30% of the savings
28 bank's total capital plus general loan loss reserves.

29 (d) For purposes of this Section, the term "person"
30 shall be deemed to include an individual, firm, corporation,
31 business trust, partnership, trust, estate, association,
32 joint venture, pool, syndicate, sole proprietorship,
33 unincorporated association, any political subdivision, or any
34 similar entity or organization.

1 (e) For the purposes of this Section any loan or
2 extension of credit granted to one person, the proceeds of
3 which are used for the direct benefit of a second person,
4 shall be deemed a loan or extension of credit to the second
5 person as well as the first person. In addition, a loan or
6 extension of credit to one person shall be deemed a loan or
7 extension of credit to others when a common enterprise exists
8 between the first person and such other persons.

9 (f) For the purposes of this Section, the total
10 liabilities of a firm, partnership, pool, syndicate, or joint
11 venture shall include the liabilities of the members of the
12 entity.

13 (g) For the purposes of this Section, the term "readily
14 marketable collateral" means financial instruments or bullion
15 that are salable under ordinary circumstances with reasonable
16 promptness at a fair market value on an auction or a
17 similarly available daily bid-and-ask price market.
18 "Financial instruments" include stocks, bonds, notes,
19 debentures traded on a national exchange or over the counter,
20 commercial paper, negotiable certificates of deposit,
21 bankers' acceptances, and shares in money market or mutual
22 funds.

23 (h) Each savings bank shall institute adequate
24 procedures to ensure that collateral fully secures the
25 outstanding loan or extension of credit at all times.

26 (i) If collateral values fall below 100% of the
27 outstanding loan or extension of credit to the extent that
28 the loan or extension of credit no longer is in conformance
29 with subsection (b) and exceeds the 20% limitation of
30 subsection (a), the loan must be brought into conformance
31 with this Section within 5 business days except where
32 judicial proceedings or other similar extraordinary
33 occurrences prevent the savings bank from taking action.

34 (j) This Section shall not apply to loans or extensions

1 of credit to the United States of America or its agencies or
2 this State or its agencies or to any loan, investment, or
3 extension of credit made pursuant to Section 6003 of this
4 Act.

5 (k) This Section does not apply to the obligations as
6 endorser, whether with or without recourse, or as guarantor,
7 whether conditional or unconditional, of negotiable or
8 nonnegotiable installment consumer paper of the person
9 transferring the same if the bank's files or the knowledge of
10 its officers of the financial condition of each maker of
11 those obligations is reasonably adequate and if an officer of
12 the bank, designated for that purpose by the board of
13 directors of the bank, certifies that the responsibility of
14 each maker of the obligations has been evaluated and that the
15 bank is relying primarily upon each maker for the payment of
16 the obligations. The certification shall be in writing and
17 shall retained as part of the records of the bank.

18 (l) The Commissioner may prescribe rules to carry out
19 the purposes of this Section and to establish limits or
20 requirements other than those specified in this Section for
21 particular types of loans and extensions of credit.

22 (Source: P.A. 89-74, eff. 6-30-95; 90-665, eff. 7-30-98.)

23 (205 ILCS 205/8015) (from Ch. 17, par. 7308-15)
24 Sec. 8015. Change in control.

25 (a) Any person, whether acting directly or indirectly or
26 through or in concert with one or more persons, shall give
27 the Commissioner 60 days written notice of intent to acquire
28 control ~~of 10% or more~~ of a savings bank or savings bank
29 affiliate operating under this Act. The Commissioner shall
30 promulgate rules to implement this provision including
31 definitions, application, procedures, standards for approval
32 or disapproval.

33 (b) The Commissioner may examine the books and records

1 of any person giving notice of intent to acquire control of
2 ~~10%-or-more~~ of a savings bank operating under this Act.

3 (c) The Commissioner may approve or disapprove an
4 application for change of control. In either case, the
5 decision must be issued within 30 days of the filing of the
6 initial application or the date of receipt of any additional
7 information requested by the Commissioner that is necessary
8 for his decision to be made. The request for additional
9 information must be made within 20 days of the filing of the
10 initial application.

11 (Source: P.A. 86-1213.)

12 (205 ILCS 205/10001) (from Ch. 17, par. 7310-1)

13 Sec. 10001. Commissioner's authority to take custody and
14 appoint a conservator or a receiver.

15 (a) The Commissioner, in his discretion, may take
16 custody of and appoint a conservator for the property,
17 liabilities, books, records, business, and assets of every
18 kind and character of any savings bank for any of the
19 purposes hereinafter enumerated if it appears from reports
20 made to the Commissioner or from examination made by or on
21 behalf of the Commissioner:

22 (1) That the savings bank has failed to produce an
23 annual audited financial statement, after receiving one
24 extension from the Commissioner as permitted by this Act.

25 (2) That the savings bank's books and records,
26 after at least 2 consecutive notices from the
27 Commissioner spanning at least 2 consecutive calendar
28 quarters, are in an inaccurate and incomplete condition
29 to the extent that the Commissioner is unable, through
30 the normal supervisory process, to determine the
31 financial condition of the savings bank or the details or
32 purpose of any transaction that may materially affect the
33 savings bank's financial condition.

1 (3) That the savings bank has failed or is about to
2 fail to meet its capital requirement and can meet its
3 requirements and restore its capital only with assistance
4 from its federal insurer.

5 (4) That the savings bank is insolvent in that its
6 assets are less than its obligations to its creditors,
7 including its depositors.

8 (5) That the savings bank has experienced
9 substantial dissipation of assets due to any violation of
10 a law, regulation, or order of the Commissioner or due to
11 any unsafe or unsound practice.

12 (6) That there is a likelihood that the savings
13 bank will not be able to meet the demands of its
14 depositors or pay its obligations in the normal course of
15 business.

16 (7) That losses have occurred or are likely to
17 occur that have or will deplete all or substantially all
18 of the savings bank's capital and that there is no
19 reasonable prospect for replenishment of the savings
20 bank's capital without federal assistance.

21 (8) That the savings bank or its officers,
22 directors, ~~or~~ employees, or persons in control of the
23 savings bank are violating a law, regulation, or
24 supervisory order of the Commissioner or of another of
25 its financial regulators.

26 (9) That the savings bank is in an unsafe or
27 unsound condition likely to cause insolvency or a
28 substantial dissipation of assets or earnings that will
29 weaken the condition of the savings bank and will
30 prejudice the interests of its depositors.

31 (10) That the directors, officers, trustees, or
32 liquidators have neglected, failed, or refused to take
33 any action that the Commissioner may deem necessary for
34 the protection of the savings bank, including production

1 of an annual audited financial statement after an
2 extension was granted, have continued to maintain the
3 savings bank's books and records in an inaccurate and
4 incomplete condition for 2 consecutive quarters after 2
5 notices from the Commissioner, or have impeded or
6 obstructed an examination.

7 (11) That the deposit accounts of the savings bank
8 are impaired to the extent that the realizable value of
9 its assets is insufficient to pay in full its creditors
10 and holders of its deposit accounts or meet its
11 obligations in the normal course of business; or that its
12 capital stock is impaired.

13 (12) That the savings bank is unable to continue
14 operation.

15 (13) That the business of the savings bank or
16 savings bank in liquidation is being conducted in a
17 fraudulent, illegal, or unsafe or unsound manner.

18 (14) That the officers, employees, trustees, or
19 liquidators have continued to assume duties or perform
20 acts without giving bond as required by the provisions of
21 this Act.

22 (b) If any condition exists that would give the
23 Commissioner authority to take custody of an insured
24 depository institution, the action of the Commissioner may be
25 withheld pending a satisfactory resolution of the condition
26 as suggested by the insurance corporation, provided the
27 savings bank has sufficient liquidity and has adopted and
28 implemented an operating plan considered prudent by the
29 Commissioner.

30 (c) No action or inaction of the Commissioner taken
31 under this Article shall cause the Commissioner to be
32 personally liable for that action or inaction unless the
33 Commissioner's action or inaction is found to be in violation
34 of a criminal statute.

1 (d) The Commissioner shall promulgate rules and
2 regulations to govern the determination of a need for a
3 conservator or receiver, the selection and appointment of a
4 conservator or receiver, and the conduct of a conservatorship
5 or receivership, including allocation of the payment of
6 costs.

7 (e) The proceedings pursuant to this Article shall be
8 the exclusive remedy and, except for the Federal Deposit
9 Insurance Corporation acting pursuant to the Federal Deposit
10 Insurance Act, shall be the only proceedings commenced in any
11 court for the taking of custody, the dissolution, the winding
12 up of the affairs, or the appointment of a receiver for a
13 savings bank.

14 (Source: P.A. 90-301, eff. 8-1-97.)

15 (205 ILCS 205/11003) (from Ch. 17, par. 7311-3)

16 Sec. 11003. Removal and prohibition authority.

17 (a) In addition to other provisions of this Act
18 concerning officers and directors, the Commissioner may
19 remove or suspend from any savings bank operating under this
20 Act any officer, director, employee, or agent of a savings
21 bank, and the Commissioner may prohibit participation in the
22 affairs of any savings bank by any current, former, or
23 prospective officer, director, employee, or agent of a
24 savings bank, if he finds that:

25 (1) The person or persons have directly or
26 indirectly violated any law, regulation, or order
27 including orders, conditions, and agreements between the
28 savings bank and the Commissioner or between the savings
29 bank and its federal regulators.

30 (2) The person or persons have breached their
31 fiduciary or professional responsibilities to the savings
32 bank.

33 (3) The person or persons have similarly behaved

1 towards any other insured depository institution or
2 otherwise regulated entity or that the person or persons
3 are the subject of any final order issued by the federal
4 insurer, the Office of the Comptroller of the Currency,
5 the Federal Reserve Board, a state financial institutions
6 regulator, the Securities and Exchange Commission, or by
7 a state or federal court of law.

8 (b) The Commissioner may serve upon a party a written
9 notice of the Commissioner's intention to remove or suspend
10 the party from office in the savings bank or to prohibit any
11 further participation in any manner by the party in the
12 ~~conduct--of--the~~ affairs of any savings bank ~~financial~~
13 ~~institution~~, if the Commissioner finds because of a violation
14 of subsection (a) that:

15 (1) Any savings bank, other insured depository
16 institution, or other regulated entity has or probably
17 will suffer financial loss or other damage.

18 (2) The interests of savings bank's depositors or
19 other insured depository institution's depositors have
20 been or could be prejudiced.

21 (3) The party has received financial gain or other
22 benefit by reason of the violation.

23 (4) The violation or breach involves personal
24 dishonesty on the part of the party or demonstrates
25 willful or continuing disregard by the party for the
26 safety and soundness of the savings bank or other insured
27 depository institution.

28 (Source: P.A. 86-1213.)

29 (205 ILCS 205/11004) (from Ch. 17, par. 7311-4)
30 Sec. 11004. Industrywide prohibition.

31 (a) Except as provided in regulations of the
32 Commissioner, any person who has been removed or suspended
33 from office in a savings bank operating under this Act or

1 prohibited from participating in the ~~conduct-of--the~~ affairs
 2 of a savings bank operating under this Act may not, while an
 3 order is in effect, continue or begin to hold any office in,
 4 or participate in any manner in the ~~conduct-of-the~~ affairs of
 5 any savings bank regulated by the State of Illinois, another
 6 insured depository institution regulated by the State of
 7 Illinois, or any other financial services entity regulated by
 8 the State of Illinois.

9 (b) Any violation of subsection (a) by any person who is
 10 subject to an order described in that subsection shall be
 11 treated as violation of the order.

12 (Source: P.A. 86-1213.)

13 (205 ILCS 205/11008) (from Ch. 17, par. 7311-8)

14 Sec. 11008. Unauthorized participation by convicted
 15 individual.

16 (a) Except with the prior written consent of the
 17 Commissioner, no person who has been convicted of any
 18 criminal offense involving dishonesty or a breach of trust
 19 may own or control directly or indirectly more than 0.001% of
 20 the capital stock of, receive benefit directly or indirectly
 21 from, or participate directly or indirectly in any manner in
 22 the ~~conduct-of-the~~ affairs of a savings bank.

23 (b) A savings bank may not permit participation by a
 24 person described in subsection (a).

25 (c) Whoever knowingly violates subsection (a) or (b) is
 26 guilty of a Class 3 felony and may be fined not more than
 27 \$10,000 for each day of violation.

28 (Source: P.A. 91-97, eff. 7-9-99.)

29 Section 30. The Interest Act is amended by changing
 30 Sections 4 and 4a as follows:

31 (815 ILCS 205/4) (from Ch. 17, par. 6404)

1 Sec. 4. General interest rate.

2 (1) In all written contracts it shall be lawful for the
3 parties to stipulate or agree that 9% per annum, or any less
4 sum of interest, shall be taken and paid upon every \$100 of
5 money loaned or in any manner due and owing from any person
6 to any other person or corporation in this state, and after
7 that rate for a greater or less sum, or for a longer or
8 shorter time, except as herein provided.

9 The maximum rate of interest that may lawfully be
10 contracted for is determined by the law applicable thereto at
11 the time the contract is made. Any provision in any
12 contract, whether made before or after July 1, 1969, which
13 provides for or purports to authorize, contingent upon a
14 change in the Illinois law after the contract is made, any
15 rate of interest greater than the maximum lawful rate at the
16 time the contract is made, is void.

17 It is lawful for a state bank or a branch of an
18 out-of-state bank, as those terms are defined in Section 2 of
19 the Illinois Banking Act, to receive or to contract to
20 receive and collect interest and charges at any rate or rates
21 agreed upon by the bank or branch and the borrower. It is
22 lawful for a savings bank chartered under the Savings Bank
23 Act or a savings association chartered under the Illinois
24 Savings and Loan Act of 1985 to receive or contract to
25 receive and collect interest and charges at any rate agreed
26 upon by the savings bank or savings association and the
27 borrower.

28 It is lawful to receive or to contract to receive and
29 collect interest and charges as authorized by this Act and as
30 authorized by the Consumer Installment Loan Act and by the
31 "Consumer Finance Act", approved July 10, 1935, as now or
32 hereafter amended. It is lawful to charge, contract for, and
33 receive any rate or amount of interest or compensation with
34 respect to the following transactions:

1 (a) Any loan made to a corporation;

2 (b) Advances of money, repayable on demand, to an
3 amount not less than \$5,000, which are made upon
4 warehouse receipts, bills of lading, certificates of
5 stock, certificates of deposit, bills of exchange, bonds
6 or other negotiable instruments pledged as collateral
7 security for such repayment, if evidenced by a writing;

8 (c) Any credit transaction between a merchandise
9 wholesaler and retailer; any business loan to a business
10 association or copartnership or to a person owning and
11 operating a business as sole proprietor or to any persons
12 owning and operating a business as joint venturers, joint
13 tenants or tenants in common, or to any limited
14 partnership, or to any trustee owning and operating a
15 business or whose beneficiaries own and operate a
16 business, except that any loan which is secured (1) by an
17 assignment of an individual obligor's salary, wages,
18 commissions or other compensation for services, or (2) by
19 his household furniture or other goods used for his
20 personal, family or household purposes shall be deemed
21 not to be a loan within the meaning of this subsection;
22 and provided further that a loan which otherwise
23 qualifies as a business loan within the meaning of this
24 subsection shall not be deemed as not so qualifying
25 because of the inclusion, with other security consisting
26 of business assets of any such obligor, of real estate
27 occupied by an individual obligor solely as his
28 residence. The term "business" shall be deemed to mean a
29 commercial, agricultural or industrial enterprise which
30 is carried on for the purpose of investment or profit,
31 but shall not be deemed to mean the ownership or
32 maintenance of real estate occupied by an individual
33 obligor solely as his residence;

34 (d) Any loan made in accordance with the provisions

1 of Subchapter I of Chapter 13 of Title 12 of the United
2 States Code, which is designated as "Housing Renovation
3 and Modernization";

4 (e) Any mortgage loan insured or upon which a
5 commitment to insure has been issued under the provisions
6 of the National Housing Act, Chapter 13 of Title 12 of
7 the United States Code;

8 (f) Any mortgage loan guaranteed or upon which a
9 commitment to guaranty has been issued under the
10 provisions of the Veterans' Benefits Act, Subchapter II
11 of Chapter 37 of Title 38 of the United States Code;

12 (g) Interest charged by a broker or dealer
13 registered under the Securities Exchange Act of 1934, as
14 amended, or registered under the Illinois Securities Law
15 of 1953, approved July 13, 1953, as now or hereafter
16 amended, on a debit balance in an account for a customer
17 if such debit balance is payable at will without penalty
18 and is secured by securities as defined in Uniform
19 Commercial Code-Investment Securities;

20 (h) Any loan made by a participating bank as part
21 of any loan guarantee program which provides for loans
22 and for the refinancing of such loans to medical
23 students, interns and residents and which are guaranteed
24 by the American Medical Association Education and
25 Research Foundation;

26 (i) Any loan made, guaranteed, or insured in
27 accordance with the provisions of the Housing Act of
28 1949, Subchapter III of Chapter 8A of Title 42 of the
29 United States Code and the Consolidated Farm and Rural
30 Development Act, Subchapters I, II, and III of Chapter 50
31 of Title 7 of the United States Code;

32 (j) Any loan by an employee pension benefit plan,
33 as defined in Section 3 (2) of the Employee Retirement
34 Income Security Act of 1974 (29 U.S.C.A. Sec. 1002), to

1 an individual participating in such plan, provided that
2 such loan satisfies the prohibited transaction exemption
3 requirements of Section 408 (b) (1) (29 U.S.C.A. Sec.
4 1108 (b) (1)) or Section 2003 (a) (26 U.S.C.A. Sec. 4975
5 (d) (1)) of the Employee Retirement Income Security Act
6 of 1974;

7 (k) Written contracts, agreements or bonds for deed
8 providing for installment purchase of real estate;

9 (l) Loans secured by a mortgage on real estate;

10 (m) Loans made by a sole proprietorship,
11 partnership, or corporation to an employee or to a person
12 who has been offered employment by such sole
13 proprietorship, partnership, or corporation made for the
14 sole purpose of transferring an employee or person who
15 has been offered employment to another office maintained
16 and operated by the same sole proprietorship,
17 partnership, or corporation;

18 (n) Loans to or for the benefit of students made by
19 an institution of higher education.

20 (2) Except for loans described in subparagraph (a), (c),
21 (d), (e), (f) or (i) of subsection (1) of this Section, and
22 except to the extent permitted by the applicable statute for
23 loans made pursuant to Section 4a or pursuant to the Consumer
24 Installment Loan Act:

25 (a) Whenever the rate of interest exceeds 8% per
26 annum on any written contract, agreement or bond for deed
27 providing for the installment purchase of residential
28 real estate, or on any loan secured by a mortgage on
29 residential real estate, it shall be unlawful to provide
30 for a prepayment penalty or other charge for prepayment.

31 (b) No agreement, note or other instrument
32 evidencing a loan secured by a mortgage on residential
33 real estate, or written contract, agreement or bond for
34 deed providing for the installment purchase of

1 residential real estate, may provide for any change in
2 the contract rate of interest during the term thereof.
3 However, if the Congress of the United States or any
4 federal agency authorizes any class of lender to enter,
5 within limitations, into mortgage contracts or written
6 contracts, agreements or bonds for deed in which the rate
7 of interest may be changed during the term of the
8 contract, any person, firm, corporation or other entity
9 not otherwise prohibited from entering into mortgage
10 contracts or written contracts, agreements or bonds for
11 deed in Illinois may enter into mortgage contracts or
12 written contracts, agreements or bonds for deed in which
13 the rate of interest may be changed during the term of
14 the contract, within the same limitations.

15 (3) In any contract or loan which is secured by a
16 mortgage, deed of trust, or conveyance in the nature of a
17 mortgage, on residential real estate, the interest which is
18 computed, calculated, charged, or collected pursuant to such
19 contract or loan, or pursuant to any regulation or rule
20 promulgated pursuant to this Act, may not be computed,
21 calculated, charged or collected for any period of time
22 occurring after the date on which the total indebtedness,
23 with the exception of late payment penalties, is paid in
24 full.

25 For purposes of this Section, a prepayment shall mean the
26 payment of the total indebtedness, with the exception of late
27 payment penalties if incurred or charged, on any date before
28 the date specified in the contract or loan agreement on which
29 the total indebtedness shall be paid in full, or before the
30 date on which all payments, if timely made, shall have been
31 made. In the event of a prepayment of the indebtedness which
32 is made on a date after the date on which interest on the
33 indebtedness was last computed, calculated, charged, or
34 collected but before the next date on which interest on the

1 indebtedness was to be calculated, computed, charged, or
2 collected, the lender may calculate, charge and collect
3 interest on the indebtedness for the period which elapsed
4 between the date on which the prepayment is made and the date
5 on which interest on the indebtedness was last computed,
6 calculated, charged or collected at a rate equal to 1/360 of
7 the annual rate for each day which so elapsed, which rate
8 shall be applied to the indebtedness outstanding as of the
9 date of prepayment. The lender shall refund to the borrower
10 any interest charged or collected which exceeds that which
11 the lender may charge or collect pursuant to the preceding
12 sentence. The provisions of this amendatory Act of 1985 shall
13 apply only to contracts or loans entered into on or after the
14 effective date of this amendatory Act, but shall not apply to
15 contracts or loans entered into on or after that date that
16 are subject to Section 4a of this Act, the Consumer
17 Installment Loan Act, or the Retail Installment Sales Act, or
18 that provide for the refund of precomputed interest on
19 prepayment in the manner provided by such Act.

20 (Source: P.A. 89-208, eff. 9-29-95.)

21 (815 ILCS 205/4a) (from Ch. 17, par. 6410)

22 Sec. 4a. Installment loan rate.

23 (a) On money loaned to or in any manner owing from any
24 person, whether secured or unsecured, except where the money
25 loaned or in any manner owing is directly or indirectly for
26 the purchase price of real estate or an interest therein and
27 is secured by a lien on or retention of title to that real
28 estate or interest therein, to an amount not more than
29 \$25,000 (excluding interest) which is evidenced by a written
30 instrument providing for the payment thereof in 2 or more
31 periodic installments over a period of not more than 181
32 months from the date of the execution of the written
33 instrument, it is lawful to receive or to contract to receive

1 and collect either:

2 (i) interest in an amount equivalent to interest
3 computed at a rate not exceeding 9% per year on the
4 entire principal amount of the money loaned or in any
5 manner owing for the period from the date of the making
6 of the loan or the incurring of the obligation for the
7 amount owing evidenced by the written instrument until
8 the date of the maturity of the last installment thereof,
9 and to add that amount to the principal, except that
10 there shall be no limit on the rate of interest which may
11 be received or contracted to be received and collected by
12 (1) any bank that has its main office or, after May 31,
13 1997, a branch in this State; (2) a savings and loan
14 association chartered under the Illinois Savings and Loan
15 Act of 1985, a savings bank chartered under the Savings
16 Bank Act, or a federal savings and loan association
17 established under the laws of the United States and
18 having its main office in this State; or (3) any lender
19 licensed under either the Consumer Finance Act or the
20 Consumer Installment Loan Act, but in any case in which
21 interest is received, contracted for or collected on the
22 basis of this clause (i), the debtor may satisfy in full
23 at any time before maturity the debt evidenced by the
24 written instrument, and in so satisfying must receive a
25 refund credit against the total amount of interest added
26 to the principal computed in the manner provided under
27 Section 15(f)(3) of the Consumer Installment Loan Act for
28 refunds or credits of applicable interest on payment in
29 full of precomputed loans before the final installment
30 due date; or

31 (ii) interest accrued on the principal balance from
32 time to time remaining unpaid, from the date of making of
33 the loan or the incurring of the obligation to the date
34 of the payment of the debt in full, at a rate not

1 exceeding the annual percentage rate equivalent of the
2 rate permitted to be charged under clause (i) above, but
3 in any such case the debtor may, provided that the debtor
4 shall have paid in full all interest and other charges
5 accrued to the date of such prepayment, prepay the
6 principal balance in full or in part at any time, and
7 interest shall, upon any such prepayment, cease to accrue
8 on the principal amount which has been prepaid.

9 (b) Whenever the principal amount of an installment loan
10 is \$300 or more and the repayment period is 6 months or more,
11 a minimum charge of \$15 may be collected instead of interest,
12 but only one minimum charge may be collected from the same
13 person during one year. When the principal amount of the loan
14 (excluding interest) is \$800 or less, the lender or creditor
15 may contract for and receive a service charge not to exceed
16 \$5 in addition to interest; and that service charge may be
17 collected when the loan is made, but only one service charge
18 may be contracted for, received, or collected from the same
19 person during one year.

20 (c) Credit life insurance and credit accident and health
21 insurance, and any charge therefor which is deducted from the
22 loan or paid by the obligor, must comply with Article IX 1/2
23 of the Illinois Insurance Code and all lawful requirements of
24 the Director of Insurance related thereto. When there are 2
25 or more obligors on the loan contract, only one charge for
26 credit life insurance and credit accident and health
27 insurance may be made and only one of the obligors may be
28 required to be insured. Insurance obtained from, by or
29 through the lender or creditor must be in effect when the
30 loan is transacted. The purchase of that insurance from an
31 agent, broker or insurer specified by the lender or creditor
32 may not be a condition precedent to the granting of the loan.

33 (d) The lender or creditor may require the obligor to
34 provide property insurance on security other than household

1 goods, furniture and personal effects. The amount and term of
2 the insurance must be reasonable in relation to the amount
3 and term of the loan contract and the type and value of the
4 security, and the insurance must be procured in accordance
5 with the insurance laws of this State. The purchase of that
6 insurance from an agent, broker or insurer specified by the
7 lender or creditor may not be a condition precedent to the
8 granting of the loan.

9 (e) The lender or creditor may, if the contract
10 provides, collect a delinquency and collection charge on each
11 installment in default for a period of not less than 10 days
12 in an amount not exceeding 5% of the installment on
13 installments in excess of \$200 or \$10 on installments of \$200
14 or less, but only one delinquency and collection charge may
15 be collected on any installment regardless of the period
16 during which it remains in default. In addition, the contract
17 may provide for the payment by the borrower or debtor of
18 attorney's fees incurred by the lender or creditor. The
19 lender or creditor may enforce such a provision to the extent
20 of the reasonable attorney's fees incurred by him in the
21 collection or enforcement of the contract or obligation.
22 Whenever interest is contracted for or received under this
23 Section, no amount in addition to the charges authorized by
24 this Section may be directly or indirectly charged,
25 contracted for or received, except lawful fees paid to a
26 public officer or agency to record, file or release security,
27 and except costs and disbursements including reasonable
28 attorney's fees, incurred in legal proceedings to collect a
29 loan or to realize on a security after default. This Section
30 does not prohibit the receipt of any commission, dividend or
31 other benefit by the creditor or an employee, affiliate or
32 associate of the creditor from the insurance authorized by
33 this Section.

34 (f) When interest is contracted for or received under

1 this Section, the lender must disclose the following items to
2 the obligor in a written statement before the loan is
3 consummated:

4 (1) the amount and date of the loan contract;

5 (2) the amount of loan credit using the term
6 "amount financed";

7 (3) every deduction from the amount financed or
8 payment made by the obligor for insurance and the type of
9 insurance for which each deduction or payment was made;

10 (4) every other deduction from the loan or payment
11 made by the obligor in connection with obtaining the
12 loan;

13 (5) the date on which the finance charge begins to
14 accrue if different from the date of the transaction;

15 (6) the total amount of the loan charge for the
16 scheduled term of the loan contract with a description of
17 each amount included using the term "finance charge";

18 (7) the finance charge expressed as an annual
19 percentage rate using the term "annual percentage rate".
20 "Annual percentage rate" means the nominal annual
21 percentage rate of finance charge determined in
22 accordance with the actuarial method of computation with
23 an accuracy at least to the nearest 1/4 of 1%; or at the
24 option of the lender by application of the United States
25 rule so that it may be disclosed with an accuracy at
26 least to the nearest 1/4 of 1%;

27 (8) the number, amount and due dates or periods of
28 payments scheduled to repay the loan and the sum of such
29 payments using the term "total of payments";

30 (9) the amount, or method of computing the amount
31 of any default, delinquency or similar charges payable in
32 the event of late payments;

33 (10) the right of the obligor to prepay the loan
34 and the fact that such prepayment will reduce the charge

1 for the loan;

2 (11) a description or identification of the type of
3 any security interest held or to be retained or acquired
4 by the lender in connection with the loan and a clear
5 identification of the property to which the security
6 interest relates. If after-acquired property will be
7 subject to the security interest, or if other or future
8 indebtedness is or may be secured by any such property,
9 this fact shall be clearly set forth in conjunction with
10 the description or identification of the type of security
11 interest held, retained or acquired;

12 (12) a description of any penalty charge that may
13 be imposed by the lender for prepayment of the principal
14 of the obligation with an explanation of the method of
15 computation of such penalty and the conditions under
16 which it may be imposed;

17 (13) unless the contract provides for the accrual
18 and payment of the finance charge on the balance of the
19 amount financed from time to time remaining unpaid, an
20 identification of the method of computing any unearned
21 portion of the finance charge in the event of prepayment
22 of the loan.

23 The terms "finance charge" and "annual percentage rate"
24 shall be printed more conspicuously than other terminology
25 required by this Section.

26 (g) At the time disclosures are made, the lender shall
27 deliver to the obligor a duplicate of the instrument or
28 statement by which the required disclosures are made and on
29 which the lender and obligor are identified and their
30 addresses stated. All of the disclosures shall be made
31 clearly, conspicuously and in meaningful sequence and made
32 together on either:

33 (i) the note or other instrument evidencing the
34 obligation on the same side of the page and above or

1 adjacent to the place for the obligor's signature;
2 however, where a creditor elects to combine disclosures
3 with the contract, security agreement, and evidence of a
4 transaction in a single document, the disclosures
5 required under this Section shall be made on the face of
6 the document, on the reverse side, or on both sides,
7 provided that the amount of the finance charge and the
8 annual percentage rate shall appear on the face of the
9 document, and, if the reverse side is used, the printing
10 on both sides of the document shall be equally clear and
11 conspicuous, both sides shall contain the statement,
12 "NOTICE: See other side for important information", and
13 the place for the customer's signature shall be provided
14 following the full content of the document; or

15 (ii) one side of a separate statement which
16 identifies the transaction.

17 The amount of the finance charge shall be determined as
18 the sum of all charges, payable directly or indirectly by the
19 obligor and imposed directly or indirectly by the lender as
20 an incident to or as a condition to the extension of credit,
21 whether paid or payable by the obligor, any other person on
22 behalf of the obligor, to the lender or to a third party,
23 including any of the following types of charges:

24 (1) Interest, time price differential, and any
25 amount payable under a discount or other system of
26 additional charges.

27 (2) Service, transaction, activity, or carrying
28 charge.

29 (3) Loan fee, points, finder's fee, or similar
30 charge.

31 (4) Fee for an appraisal, investigation, or credit
32 report.

33 (5) Charges or premiums for credit life, accident,
34 health, or loss of income insurance, written in

1 connection with any credit transaction unless (a) the
2 insurance coverage is not required by the lender and this
3 fact is clearly and conspicuously disclosed in writing to
4 the obligor; and (b) any obligor desiring such insurance
5 coverage gives specific dated and separately signed
6 affirmative written indication of such desire after
7 receiving written disclosure to him of the cost of such
8 insurance.

9 (6) Charges or premiums for insurance, written in
10 connection with any credit transaction, against loss of
11 or damage to property or against liability arising out of
12 the ownership or use of property, unless a clear,
13 conspicuous, and specific statement in writing is
14 furnished by the lender to the obligor setting forth the
15 cost of the insurance if obtained from or through the
16 lender and stating that the obligor may choose the person
17 through which the insurance is to be obtained.

18 (7) Premium or other charges for any other
19 guarantee or insurance protecting the lender against the
20 obligor's default or other credit loss.

21 (8) Any charge imposed by a lender upon another
22 lender for purchasing or accepting an obligation of an
23 obligor if the obligor is required to pay any part of
24 that charge in cash, as an addition to the obligation, or
25 as a deduction from the proceeds of the obligation.

26 A late payment, delinquency, default, reinstatement or
27 other such charge is not a finance charge if imposed for
28 actual unanticipated late payment, delinquency, default or
29 other occurrence.

30 (h) Advertising for loans transacted under this Section
31 may not be false, misleading, or deceptive. That advertising,
32 if it states a rate or amount of interest, must state that
33 rate as an annual percentage rate of interest charged. In
34 addition, if charges other than for interest are made in

1 connection with those loans, those charges must be separately
2 stated. No advertising may indicate or imply that the rates
3 or charges for loans are in any way "recommended",
4 "approved", "set" or "established" by the State government or
5 by this Act.

6 (i) A lender or creditor who complies with the federal
7 Truth in Lending Act, amendments thereto, and any regulations
8 issued or which may be issued thereunder, shall be deemed to
9 be in compliance with the provisions of subsections (f), (g)
10 and (h) of this Section.

11 (Source: P.A. 89-208, eff. 9-29-95; 90-437, eff. 1-1-98.)

12 Section 35. The Banking Emergencies Act is amended by
13 changing Sections 1 and 2 as follows:

14 (205 ILCS 610/1) (from Ch. 17, par. 1001)

15 Sec. 1. Definitions. A. As used in this Act, unless the
16 context otherwise requires:

17 (1) "Commissioner" means the officer of this State
18 designated by law to exercise supervision over banks and
19 trust companies, and any other person lawfully exercising
20 such powers.

21 (2) "Bank" includes commercial banks, trust companies
22 and any branch thereof lawfully carrying on the business of
23 banking and, to the extent that the provisions hereof are not
24 inconsistent with and do not infringe upon paramount Federal
25 law, also includes national banks.

26 (3) "Officers" means the person or persons designated by
27 the board of directors, to act for the bank in carrying out
28 the provisions of this Act or, in the absence of any such
29 designation or of the officer or officers so designated, the
30 president or any other officer currently in charge of the
31 bank or of the office or offices in question.

32 (4) "Office" means any place at which a bank transacts

1 its business or conducts operations related to its business.

2 (5) "Emergency" means any condition or occurrence which
3 may interfere physically with the conduct of normal business
4 operations at one or more or all of the offices of a bank, or
5 which poses an imminent or existing threat to the safety or
6 security of persons or property, or both at one or more or
7 all of the offices of a bank.

8 Without limiting the generality of the foregoing, an
9 emergency may arise as a result of any one or more of the
10 following: natural disasters; civil strife; power failures;
11 computer failures; interruption of communication facilities;
12 robbery or attempted robbery.

13 (Source: P.A. 85-204.)

14 (205 ILCS 610/2) (from Ch. 17, par. 1002)

15 Sec. 2. Power of Commissioner. Whenever the Commissioner
16 is notified by any officer of a bank or by any other means
17 becomes aware that an emergency exists, or is impending, ~~in~~
18 ~~the--county--or--municipality--or--any-part--thereof,~~ he may, by
19 proclamation, authorize all banks in the State of Illinois
20 ~~located--in-the-affected-area-or-areas~~ to close any or all of
21 their offices, or if only a bank or banks, or offices
22 thereof, in a particular area or areas of the State of
23 Illinois are affected by the emergency or impending
24 emergency, the Commissioner may authorize only the affected
25 bank, banks, or offices thereof, to close. The office or
26 offices so closed may remain closed until the Commissioner
27 declares, by further proclamation, that the emergency or
28 impending emergency has ended. The Commissioner during an
29 emergency or while an impending emergency exists, which
30 affects, or may affect, a particular bank or banks, or a
31 particular office or offices thereof, but not banks located
32 in the area generally of the said county or municipality, may
33 authorize the particular bank or banks, or office or offices

1 so affected, to close. The office or offices so closed shall
 2 remain closed until the Commissioner is notified by a bank
 3 officer of the closed bank that the emergency has ended. The
 4 Commissioner shall notify, at such time, the officers of the
 5 bank that one or more offices, heretofore closed because of
 6 the emergency, should reopen and, in either event, for such
 7 further time thereafter as may reasonably be required to
 8 reopen.

9 (Source: P.A. 77-1782.)

10 Section 40. The Corporate Fiduciary Act is amended by
 11 changing Sections 1-8, 3-1, 3-2, 4-3, 4-4, 4-5, 5-3, 5-6, and
 12 6-2 and adding Article 4A as follows:

13 (205 ILCS 620/1-8) (from Ch. 17, par. 1551-8)

14 Sec. 1-8. Change of name or location. A corporate
 15 fiduciary holding a certificate of authority issued pursuant
 16 to this Act must notify and receive written approval from the
 17 Commissioner before changing its name or changing the
 18 location of its corporate headquarters. A corporate
 19 fiduciary which is a State bank chartered by the Commissioner
 20 and which accomplishes a change of name in compliance with
 21 Section 13 of the Illinois Banking Act or a change of
 22 location in compliance with Section 13 ~~17~~ of the Illinois
 23 Banking Act, as now or hereafter amended, shall be deemed to
 24 have complied with this Section 1-8.

25 (Source: P.A. 90-301, eff. 8-1-97.)

26 (205 ILCS 620/3-1) (from Ch. 17, par. 1553-1)

27 Sec. 3-1. Merger. The merger procedure required of a
 28 trust company where there is to be a resulting trust company
 29 by consolidation or merger shall be:

30 (1) The board of directors of each party to the merger
 31 ~~merging--trust--company~~ shall, by a majority of the entire

1 board, approve a merger agreement which shall contain:

2 (a) The name of each party to the merger merging
3 ~~trust-company~~ and its location and a list of each merging
4 party's ~~trust--company's~~ stockholders as of the date of
5 the merger agreement;

6 (b) With respect to the resulting trust company (i)
7 its name and place of business; (ii) the amount of
8 capital, surplus and reserve for operating expenses;
9 (iii) the classes and the number of shares of stock and
10 the par value of each share; (iv) the designation of the
11 continuing trust company and the charter which is to be
12 the charter of the resulting trust company, together with
13 the amendments to the continuing charter and to the
14 continuing by-laws; and (v) a detailed financial
15 statement showing the assets and liabilities after the
16 proposed merger or consolidation;

17 (c) Provisions stating the method, terms and
18 conditions of carrying the merger into effect, including
19 the manner of converting the shares of the merging
20 parties ~~trust-companies~~ into the cash, shares of stock or
21 other securities of any corporation or other property, or
22 any combination of the foregoing, stated in the merger
23 agreement as to be received by the stockholders of each
24 merging party ~~trust-company~~;

25 (d) A statement that the agreement is subject to
26 approval by the Commissioner and by the stockholders of
27 each party to the merger merging-~~trust-company~~ and that
28 whether approved or disapproved, the parties to the
29 merger merging----~~trust---~~companies will pay the
30 Commissioner's expenses of examination;

31 (e) Provisions governing the manner of disposing of
32 the shares of the resulting trust company not taken by
33 the dissenting stockholders of the parties to the merger
34 merging-~~trust-companies~~; and

1 (f) Such other provisions as the Commissioner may
2 reasonably require to enable him to discharge his duties
3 with respect to the merger.

4 (2) After approval by the board of directors of each
5 party to the merger trust-company, the merger agreement shall
6 be submitted to the Commissioner for approval, together with
7 certified copies of the authorizing resolutions of each board
8 of directors showing approval by a majority of the entire
9 board of each party to the merger trust-company.

10 (3) After receipt by the Commissioner of the papers
11 specified in paragraph (2), he shall approve or disapprove
12 the merger agreement. The Commissioner shall not approve the
13 merger agreement unless he shall be of the opinion and shall
14 find:

15 (a) That the resulting trust company meets the
16 requirements of this Act for the formation of a new trust
17 company at the proposed place of business of the
18 resulting trust company;

19 (b) That the same matters exist in respect of the
20 resulting trust company which would have been required
21 under Section 2-6 of this Act for the organization of a
22 new trust company.

23 If the Commissioner disapproves an agreement, he shall
24 state his objection and give an opportunity to the parties to
25 the merger merging--trust--companies to amend the merger
26 agreement to obviate such objections.

27 (Source: P.A. 88-408.)

28 (205 ILCS 620/3-2) (from Ch. 17, par. 1553-2)

29 Sec. 3-2. Change in control.

30 (a) Before a change may occur in the ownership of
31 outstanding stock or membership interests of any trust
32 company whether by sale and purchase, gift, bequest or
33 inheritance, or any other means, which will result in control

1 or a change in the control of the trust company or before a
2 change in the control of a holding company having control of
3 the outstanding stock or membership interests of a trust
4 company whether by sale and purchase, gift, bequest or
5 inheritance, or any other means, which will result in control
6 or a change in control of the trust company or holding
7 company, the Commissioner shall be of the opinion and find:

8 (1) that the general character of its proposed
9 management, after the change in control, is such as to
10 assure reasonable promise of competent, successful, safe
11 and sound operation;

12 (2) that the future earnings prospects, after the
13 proposed change in control, are favorable; and

14 (3) that the prior business affairs of the persons
15 proposing to obtain control or by the proposed management
16 personnel, whether as stockholder, director, member,
17 officer, or customer, were conducted in a safe, sound,
18 and lawful manner.

19 (b) Persons desiring to purchase control of an existing
20 trust company and persons obtaining control by gift, bequest
21 or inheritance, or any other means shall submit to the
22 Commissioner:

23 (1) A statement of financial worth; and

24 (2) Satisfactory evidence that the prior business
25 affairs of the persons and the proposed management
26 personnel, whether as stockholder, director, officer, or
27 customer, were conducted in a safe, sound, and lawful
28 manner.

29 ~~As used in this Section, the term "control" means the~~
30 ~~ownership of such amount of stock or membership interests or~~
31 ~~ability to direct the voting of such stock or membership~~
32 ~~interests as to give power to, directly or indirectly, direct~~
33 ~~or cause the direction of the management or policies of the~~
34 ~~trust company. A change in ownership of stock which would~~

1 result--in--direct--or--indirect--ownership--by--a--stockholder--or
2 member,--an--affiliated--group--of--stockholders--or--members--or--a
3 holding--company--of--less--than--10%--of--the--outstanding--stock--or
4 membership--interests--shall--not--be--considered--a--change--of
5 control.---A--change--in--ownership--of--stock--or--membership
6 interests--which--would--result--in--direct--or--indirect--ownership
7 by---a---stockholder---or---member,---an---affiliated---group---of
8 stockholders--or--members--or--a--holding--company--of--20%--or--such
9 lesser--amount--which--would--entitle--the--holder--by--applying
10 cumulative--voting--to--elect--one--director--shall--be--presumed--to
11 constitute--a--change--of--control--for--purposes--of--this--Section.
12 If--there--is--any--doubt--as--to--whether--a--change--in--the--ownership
13 or--control--of--the--outstanding--stock--or--membership--interests
14 is--sufficient--to--result--in--obtaining--control--thereof--or--to
15 effect--a--change--in--the--control--thereof,--such--doubt--shall--be
16 resolved--in--favor--of--reporting--the--facts--to--the--Commissioner.

17 (c) Whenever a bank makes a loan or loans, secured, or
18 to be secured, by 25% or more of the outstanding stock of a
19 trust company, the president or other chief executive officer
20 of the lending bank shall promptly report such fact to the
21 Commissioner upon obtaining knowledge of such loan or loans,
22 except that no report need be made in those cases where the
23 borrower has been the owner of record of the stock for a
24 period of one year or more, or the stock is that of a
25 newly-organized trust company prior to its opening.

26 (d) (1) Before a purchase of substantially all the
27 assets and an assumption of substantially all the liabilities
28 of a trust company or before a purchase of substantially all
29 the trust assets and an assumption of substantially all the
30 trust liabilities of a trust company, the Commissioner shall
31 be of the opinion and find:

32 (i) that the general character of the acquirer's
33 proposed management, after the transfer, is such as to
34 assure reasonable promise of competent, successful, safe,

1 and sound operation;

2 (ii) that the acquirer's future earnings prospects,
3 after the proposed transfer, are favorable;

4 (iii) that any prior involvement by the acquirer or
5 by the proposed management personnel, whether as
6 stockholder, director, officer, agent, or customer, was
7 conducted in a safe, sound, and lawful manner;

8 (iv) that customers' interests will not be
9 jeopardized by the purchase and assumption; and

10 (v) that adequate provision has been made for all
11 obligations and trusts as required under Section 7-1 of
12 this Act.

13 (2) Persons desiring to purchase substantially all the
14 assets and assume substantially all the liabilities of a
15 trust company or to purchase substantially all the trust
16 assets and assume substantially all the trust liabilities of
17 a trust company shall submit to the Commissioner:

18 (i) a statement of financial worth; and

19 (ii) satisfactory evidence that the prior business
20 affairs of the persons and the proposed management
21 personnel, whether as stockholder, director, officer, or
22 customer, were conducted in a safe, sound, and lawful
23 manner.

24 ~~As used in this Section, "substantially all" the assets~~
25 ~~or liabilities of the trust assets or trust liabilities of a~~
26 ~~trust company means that portion such that their transfer~~
27 ~~will materially impair the ability of the trust company to~~
28 ~~continue successful, safe, and sound operations or to~~
29 ~~continue as a going concern.~~

30 (e) The reports required by subsections (a), (b), (c),
31 and (d) of this Section 3-2 shall contain the following
32 information to the extent that it is known by the person
33 making the report: (1) the number of shares involved; (2) the
34 names of the sellers (or transferors); (3) the names of the

1 purchasers (or transferees); (4) the names of the beneficial
2 owners if the shares are registered in another name; (5) the
3 purchase price; (6) the total number of shares owned by the
4 sellers (or transferors), the purchasers (or transferees) and
5 the beneficial owners both immediately before and after the
6 transaction; and, (7) in the case of a loan, the name of the
7 borrower, the amount of the loan, and the name of the trust
8 company issuing the stock securing the loan and the number of
9 shares securing the loan. In addition to the foregoing, such
10 reports shall contain such other information as may be
11 available and which is requested by the Commissioner to
12 inform the Commissioner of the effect of the transaction upon
13 the trust company or trust companies whose stock or assets
14 and liabilities are involved.

15 (f) Whenever such a change as described in subsection
16 (a) of this Section 3-2 occurs, each trust company shall
17 report promptly to the Commissioner any changes or
18 replacement of its chief executive officer or of any director
19 occurring in the next 12 month period, including in its
20 report a statement of the past and current business and
21 professional affiliations of the new chief executive officer
22 or directors.

23 (g) The provisions of this Section do not apply when the
24 change in control is the result of organizational
25 restructuring under a holding company.

26 (h) As used in this Section, the term "control" means
27 the ownership of such amount of stock or membership interests
28 or ability to direct the voting of such stock or membership
29 interests as to, directly or indirectly, give power to
30 direct or cause the direction of the management or policies
31 of the trust company. A change in ownership of stock that
32 would result in direct or indirect ownership by a stockholder
33 or member, an affiliated group of stockholders or members, or
34 a holding company of less than 10% of the outstanding stock

1 or membership interests shall not be considered a change
2 of control. A change in ownership of stock or membership
3 interests that would result in direct or indirect ownership
4 by a stockholder or member, an affiliated group of
5 stockholders or members, or a holding company of 20% or such
6 lesser amount which would entitle the holder by applying
7 cumulative voting to elect one director shall be presumed to
8 constitute a change of control for purposes of this Section.
9 If there is any question as to whether a change in the
10 ownership or control of the outstanding stock or membership
11 interests is sufficient to result in obtaining control
12 thereof or to effect a change in the control thereof, the
13 question shall be resolved in favor of reporting the facts to
14 the Commissioner.

15 As used in this Section, "substantially all" the
16 assets or liabilities or the trust assets or trust
17 liabilities of a trust company means that portion such that
18 their transfer will materially impair the ability of the
19 trust company to continue successful, safe, and sound
20 operations or to continue as a going concern.

21 (Source: P.A. 89-364, eff. 8-18-95; 90-424, eff. 1-1-98.)

22 (205 ILCS 620/4-3) (from Ch. 17, par. 1554-3)

23 Sec. 4-3. Service of process upon Secretary of State.
24 Any foreign corporation acting in this State in a fiduciary
25 capacity pursuant to the provisions of Article IV and Article
26 IVA of this Act shall be deemed to have appointed the
27 Secretary of State to be its true and lawful attorney upon
28 whom may be served all legal process in any action or
29 proceeding against it relating to or growing out of any
30 trust, estate or matter in respect of which such foreign
31 corporation has acted or is acting in this state in any such
32 fiduciary capacity, and the acceptance of or engagement in
33 this State in any acts in any such fiduciary capacity shall

1 be signification of its agreement that any such process
2 against it which is so served, shall be of the same legal
3 force and validity as though served upon it personally.
4 Service of such process shall be made by delivering to the
5 Secretary of State, the corporation department of the office
6 a copy of such process, together with the fee for service of
7 process required by the Secretary of State, and such service
8 shall be sufficient service upon said foreign corporation if
9 notice of such service and a copy of the process are, within
10 10 days thereafter, sent by registered mail by the plaintiff
11 to the defendant at its principal office in such other state
12 or territory and the plaintiff's affidavit of compliance
13 herewith is appended to the summons. The court in which the
14 action is pending may order such continuances as may be
15 necessary to afford the defendant reasonable opportunity to
16 defend the action. The fee paid by the plaintiff to the
17 Secretary of State at the time of the service may be
18 recovered as taxable costs by the plaintiff if such party
19 prevails in the action. The Secretary of State shall keep a
20 record of all process served upon him under this section and
21 shall record therein the time of such service.

22 (Source: P.A. 85-858.)

23 (205 ILCS 620/4-4) (from Ch. 17, par. 1554-4)

24 Sec. 4-4. Place of business not to be established in
25 State; not deemed transacting business.

26 (a) A foreign corporation, as defined in Section 1-5.08
27 of this Act, shall not establish in this State a place of
28 business, branch office, or agency for the conduct of
29 business as a fiduciary and because it is not permitted to
30 establish in this State a place of business, branch office or
31 agency, a foreign corporation insofar as it acts in a
32 fiduciary capacity in this State pursuant to the provisions
33 of this Act shall not be deemed to be transacting business in

1 this State. The foreign corporation may apply for, and
2 procure from the Commissioner, a license to establish a
3 representative office pursuant to the Foreign Bank
4 Representative Office Act.

5 The provisions of this subsection (a) do not apply to
6 foreign corporations establishing or acquiring and
7 maintaining a place of business in this State to conduct
8 business as a fiduciary in accordance with Article IVA of
9 this Act.

10 (b) Notwithstanding subsection (a) of this Section 4-4,
11 after May 31, 1997, a branch of an out-of-state bank, as
12 defined in Section 2 of the Illinois Banking Act, and a
13 foreign association, as defined in Section 1-10.31 of the
14 Illinois Savings and Loan Act of 1985, may establish an
15 office in this State for the conduct of business as a
16 fiduciary, provided: (i) fiduciary business conducted in this
17 State by a branch of an out-of-state bank is subject to
18 examination by the Commissioner; and (ii) the trust
19 activities of the branch of the out-of-state bank are subject
20 to regulation, including enforcement actions, by the
21 Commissioner to the same extent as Illinois corporate
22 fiduciaries.

23 (Source: P.A. 90-665, eff. 7-30-98; 91-97, eff. 7-9-99.)

24 (205 ILCS 620/4-5) (from Ch. 17, par. 1554-5)

25 Sec. 4-5. Certificate of authority; fees; certificate of
26 reciprocity.

27 (a) Prior to the time any foreign corporation acts in
28 this State as testamentary trustee, trustee appointed by any
29 court, trustee under any written agreement, declaration or
30 instrument of trust, executor, administrator, administrator
31 to collect, guardian or in any other like fiduciary capacity,
32 such foreign corporation shall apply to the Commissioner of
33 Banks and Real Estate for a certificate of authority with

1 reference to the fiduciary capacity or capacities in which
2 such foreign corporation proposes to act in this State, and
3 the Commissioner of Banks and Real Estate shall issue a
4 certificate of authority to such corporation concerning only
5 the fiduciary capacity or such of the fiduciary capacities to
6 which the application pertains and with respect to which he
7 has been furnished satisfactory evidence that such foreign
8 corporation meets the requirements of Section 4-2 of this
9 Act. The certificate of authority shall set forth the
10 fiduciary capacity or capacities, as the case may be, for
11 which the certificate is issued, and shall recite and certify
12 that such foreign corporation is eligible to act in this
13 State in such fiduciary capacity or capacities, as the case
14 may be, pursuant to the provisions of this Act. The
15 certificate of authority shall remain in full force and
16 effect until such time as such foreign corporation ceases to
17 be eligible so to act under the provisions of this Act.

18 (b) Each foreign corporation making application for a
19 certificate of authority shall pay reasonable fees to the
20 Commissioner of Banks and Real Estate as determined by the
21 Commissioner for the services of his office.

22 (c) Any foreign corporation holding a certificate of
23 reciprocity which recites and certifies that such foreign
24 corporation is eligible to act in this State in any such
25 fiduciary capacity pursuant to the provisions of Article IV
26 of this Act or any predecessor Act upon the same subject,
27 issued prior to the effective date of this amendatory Act of
28 1987 may act in this State under such certificate of
29 reciprocity in any such fiduciary capacity without applying
30 for a new certificate of authority. Such certificate of
31 reciprocity shall remain in full force and effect until such
32 time as such foreign corporation ceases to be eligible so to
33 act under the provisions of Article IV of this Act.

34 (d) Any foreign corporation acting in Illinois under a

1 certificate of authority or a certificate of reciprocity
2 shall report changes in its name or address to the
3 Commissioner and shall notify the Commissioner when it is no
4 longer serving as a corporate fiduciary in Illinois.

5 (e) The provisions of this Section shall not apply to a
6 foreign corporation establishing or acquiring and maintaining
7 a place of business in this State to conduct business as a
8 fiduciary in accordance with Article IVA of this Act.

9 (Source: P.A. 89-508, eff. 7-3-96.)

10 (205 ILCS 620/Art. IVA heading new)

11 ARTICLE IVA MULTISTATE TRUST ACTIVITIES

12 (205 ILCS 620/4A-1 new)

13 Sec. 4A-1. Corporate fiduciaries establishing offices in
14 other states.

15 (a) A corporate fiduciary may act as a fiduciary or
16 otherwise engage in fiduciary activities in this or any other
17 state or foreign country, subject to complying with
18 applicable laws of that state or foreign country, at an
19 office established and maintained pursuant to this Act, at a
20 branch, or at any location other than an office or branch. A
21 corporate fiduciary seeking to establish or acquire a branch
22 in another state or foreign country must comply with the
23 notice provisions in Section 1-7 of this Act.

24 (b) A corporate fiduciary may also conduct any
25 activities at any office outside Illinois that are
26 permissible for a trust institution chartered by the state
27 where the office is located, except to the extent those
28 activities are expressly prohibited by the laws of Illinois
29 or by any regulation or order of the Commissioner. However,
30 the Commissioner may waive any such prohibition if he
31 determines, by order or regulation, that the involvement of
32 out-of-state offices of state corporate fiduciaries in

1 particular activities would not threaten the safety or
2 soundness of those state corporate fiduciaries.

3 (205 ILCS 620/4A-5 new)

4 Sec. 4A-5. Foreign corporations establishing places of
5 business to conduct fiduciary activities in Illinois.

6 (a) A foreign corporation may establish or acquire and
7 maintain a place of business for the conduct of business as a
8 fiduciary in this State provided that a corporate fiduciary
9 that has its principal place of business in Illinois is
10 permitted to establish or acquire and maintain a similar
11 place of business that may engage in activities substantially
12 similar to those permitted to foreign corporations under this
13 Act in the state where the foreign corporation has its
14 principal place of business.

15 (b) A foreign corporation desiring to establish or
16 acquire and maintain a place of business to conduct business
17 as a fiduciary in Illinois under this Section shall provide,
18 or cause its home state regulator to provide, written notice
19 of the proposed transaction to the Commissioner on or after
20 the date on which the foreign corporation applies to its home
21 state regulator for approval to establish or acquire and
22 maintain a place of business in Illinois. The filing of the
23 notice shall be preceded or accompanied by a copy of the
24 resolution adopted by the board authorizing the additional
25 place of business and the filing fee required by the
26 Commissioner. The Commissioner may prescribe the form of the
27 notice required under this Section. In the Commissioner's
28 discretion, the application or notice submitted to the
29 foreign corporation's home state regulator may be sufficient
30 notice under this Section.

31 (c) A foreign corporation desiring to establish or
32 acquire and maintain a place of business to conduct business
33 as a fiduciary shall (i) confirm in writing to the

1 Commissioner that for as long as it maintains a place of
2 business in Illinois, it will comply with the laws of this
3 State and (ii) provide satisfactory evidence to the
4 Commissioner of compliance with any applicable requirements
5 of state foreign corporation qualification laws and
6 applicable requirements of its home state regulator for
7 acquiring or establishing and maintaining the office.

8 (d) A foreign corporation submitting a notice to the
9 Commissioner in accordance with subsection (b) may commence
10 fiduciary business at the place of business listed in its
11 notice on the 61st day after the date the Commissioner
12 receives the notice unless the Commissioner specifies an
13 earlier or later date. However, if the foreign corporation
14 is not a depository institution and the Commissioner approves
15 the foreign corporation to conduct a fiduciary business in
16 Illinois subject to specific conditions, the foreign
17 corporation shall not commence a fiduciary business in
18 Illinois until it has satisfied those conditions and provided
19 evidence satisfactory to the Commissioner that it has done
20 so. The Commissioner may extend the 60-day review period if
21 additional time or information is needed for approval of the
22 notice. The Commissioner may deny approval of the notice if
23 he finds that the foreign corporation lacks sufficient
24 financial resources to undertake the proposed expansion
25 without adversely affecting its safety or soundness or that
26 the place of business is contrary to the public interest.

27 (205 ILCS 620/4A-10 new)

28 Sec. 4A-10. Additional places of business for foreign
29 corporations. A foreign corporation that establishes or
30 acquires and maintains a place of business to conduct
31 business as a fiduciary in Illinois pursuant to Section 4A-5
32 may establish or acquire additional trust offices or
33 representative offices in this State to the same extent that

1 a corporate fiduciary may establish or acquire additional
2 offices in Illinois under Section 1-7 of this Act.

3 (205 ILCS 620/4A-15 new)

4 Sec. 4A-15. Representative offices. A foreign
5 corporation not conducting fiduciary activities may establish
6 a representative office under the Foreign Bank Representative
7 Office Act. At these offices, the foreign corporation may
8 market and solicit fiduciary services and provide back office
9 and administrative support to the foreign corporation's
10 fiduciary activities, but it may not engage in fiduciary
11 activities.

12 (205 ILCS 620/4A-20 new)

13 Sec. 4A-20. Examination of foreign corporations.

14 (a) To the extent consistent with subsection (c) of this
15 Section, the Commissioner may make such examinations of any
16 place of business established or maintained under Section
17 4A-5 by a foreign corporation as the Commissioner may deem
18 necessary to determine whether the place of business is being
19 operated in compliance with the laws of this State and in
20 accordance with safe and sound banking practices. The
21 provisions of Section 5-2 of this Act shall apply to the
22 examinations.

23 (b) The Commissioner may require periodic reports
24 regarding any foreign corporation that has maintained a place
25 of business in this State under Section 4A-5. The required
26 reports shall be provided by the foreign corporation or by
27 the home state regulator. Any reporting requirements
28 prescribed by the Commissioner under this Section shall be
29 consistent with Section 5-9 of this Act.

30 (c) The Commissioner may enter into cooperative,
31 coordinating, and information-sharing agreements with any
32 other bank supervisory agencies or any organization

1 affiliated with or representing one or more bank supervisory
2 agencies with respect to the periodic examination or other
3 supervision of any office in this State of a foreign
4 corporation or any office of a corporate fiduciary in a host
5 state. The Commissioner may accept a report of examination
6 or report of investigation in lieu of the Commissioner
7 conducting an examination or investigation.

8 (d) The Commissioner may enter into contracts with any
9 bank supervisory agency that has concurrent jurisdiction over
10 a corporate fiduciary or foreign corporation maintaining a
11 place of business under Section 4A-5 of this Act to engage
12 the services of that agency's examiners at a reasonable rate
13 of compensation or to provide the services of the
14 Commissioner's examiners to that agency at a reasonable rate
15 of compensation.

16 (e) The Commissioner may enter joint examinations or
17 joint enforcement actions with other bank supervisory
18 agencies having concurrent jurisdiction over any place of
19 business established under Section 4A-5 or any office of a
20 corporate fiduciary in any host state. The Commissioner may
21 at any time take such actions independently if the
22 Commissioner deems such actions to be necessary or
23 appropriate to ensure compliance with the laws of this State.
24 However, in the case of a foreign corporation, the
25 Commissioner shall recognize the exclusive authority of the
26 home state regulator over corporate governance matters and
27 the primary responsibility of the home state regulator over
28 safety and soundness matters.

29 (f) A foreign corporation that maintains one or more
30 offices pursuant to Section 4A-5 may be assessed, and if
31 assessed, shall pay supervisory and examination fees in
32 accordance with Section 5-10 of this Act. The fees may be
33 shared with other bank supervisory agencies or any
34 organization affiliated with or representing one or more bank

1 supervisory agencies in accordance with agreements between
2 such parties and the Commissioner.

3 (205 ILCS 620/4A-25 new)

4 Sec. 4A-25. Notice to Commissioner. A corporate
5 fiduciary that maintains a place of business in this State
6 under Section 4A-5, or the home state regulator of such
7 foreign corporation, shall give at least 30 days prior
8 written notice or, in the case of an emergency transaction,
9 such shorter notice as is consistent with applicable state or
10 federal law, to the Commissioner of:

11 (1) any merger, consolidation, or other transaction
12 that would cause a change in control with respect to the
13 foreign corporation or any bank holding company that
14 controls the corporation;

15 (2) any transfer of all or substantially all of the
16 trust accounts or trust assets of the foreign corporation
17 to another person; or

18 (3) the closing or disposition of any place of
19 business in this State.

20 (205 ILCS 620/5-3) (from Ch. 17, par. 1555-3)

21 Sec. 5-3. Violations; orders.

22 (a) Whenever it appears to the Commissioner from any
23 examination, statement of condition or report, that any
24 corporate fiduciary has committed any violation of law, has
25 made or published a false statement of condition or is
26 conducting its business in an unsafe, unsound or unauthorized
27 manner, he shall, by an order under his signature, direct the
28 discontinuance of such illegal and unsafe, unsound or
29 unauthorized practices and that the corporate fiduciary
30 strictly conform with the requirements of the law, and with
31 safety and security in its transactions.

32 (b) If a corporate fiduciary refuses or neglects to make

1 a required statement of condition or any report required
2 under this Act, or to comply with an order as above stated,
3 or if it appears to the Commissioner that it is unsafe or
4 inexpedient for the such corporate fiduciary to continue to
5 transact business, or that extraordinary withdrawals of money
6 are jeopardizing the interests of remaining depositors, or
7 that any corporate fiduciary or officer of a corporate
8 fiduciary has abused his trust or is guilty of misconduct in
9 his official position, injurious to the corporate fiduciary,
10 or that it has suffered a serious loss, he shall enter an
11 order appropriate to the circumstances, which may include the
12 appointment of a receiver as hereinafter provided, the taking
13 of possession of the corporate fiduciary, or the removal of a
14 director, officer, employee, or agent of the corporate
15 fiduciary, or he may, represented by the Attorney General,
16 seek an injunction or other appropriate order from the court.

17 (c) No dividends shall be paid by a corporate fiduciary
18 while it continues its business as a corporate fiduciary to
19 an amount greater than its net profits then on hand,
20 deducting first therefrom its losses and bad debts.

21 (Source: P.A. 86-754.)

22 (205 ILCS 620/5-6) (from Ch. 17, par. 1555-6)

23 Sec. 5-6. Removal orders. Whenever, in the opinion of
24 the Commissioner, any director, officer, employee, or agent
25 of a corporate fiduciary or subsidiary or corporate parent of
26 the corporate fiduciary shall have violated any law, rule, or
27 order relating to the corporate fiduciary or subsidiary or
28 corporate parent of the corporate fiduciary, shall have
29 engaged in an unsafe or unsound practice in conducting the
30 business of the corporate fiduciary or subsidiary or
31 corporate parent of the corporate fiduciary, or shall have
32 violated any law or engaged or participated in any unsafe or
33 unsound practice in connection with any financial institution

1 or other business entity such that the character and fitness
2 of the director, officer, employee, or agent does not assure
3 reasonable promise of safe and sound operation of the
4 corporate fiduciary or subsidiary or corporate parent of the
5 corporate fiduciary, the Commissioner may issue an order of
6 removal. If in the opinion of the Commissioner, any former
7 director, officer, employee, or agent of a corporate
8 fiduciary or subsidiary or corporate parent of the corporate
9 fiduciary, prior to the termination of his or her service
10 with the corporate fiduciary or subsidiary or corporate
11 parent of the corporate fiduciary, violated any law, rule, or
12 order relating to the corporate fiduciary or subsidiary or
13 corporate parent of the corporate fiduciary or engaged in an
14 unsafe or unsound practice in conducting the business of the
15 corporate fiduciary or subsidiary or corporate parent of the
16 corporate fiduciary or violated any law or engaged or
17 participated in any unsafe or unsound practice in connection
18 with any financial institution or other business entity such
19 that the character and fitness of the director, officer,
20 employee, or agent would not have assured reasonable promise
21 of safe and sound operation of the corporate fiduciary or
22 subsidiary or corporate parent of the corporate fiduciary,
23 the Commissioner may issue an order prohibiting that person
24 from further service with a corporate fiduciary or subsidiary
25 or corporate parent of the corporate fiduciary as a director,
26 officer, employee, or agent. An order issued pursuant to this
27 Section shall be served upon the director, officer, employee,
28 or agent. A copy of the order shall be sent to each director
29 of the corporate fiduciary affected by personal service,
30 certified mail return receipt requested, or any other method
31 that provides proof of service and receipt. The person
32 affected by the action may request a hearing before the State
33 Banking Board of Illinois, hereafter "the Board", within 10
34 days after receipt of the order of removal or prohibition.

1 The hearing shall be held by the Board according to the same
2 procedures used pursuant to Section 48 of the Illinois
3 Banking Act, and the hearing shall be held within 30 days
4 after the request has been received by the Board. After
5 concluding the hearing, the Board shall make a determination
6 approving, modifying, or disapproving the order of the
7 Commissioner as its final administrative decision. A copy of
8 the order shall be served upon the corporate fiduciary of
9 which the person is a director, officer, employee, or agent,
10 whereupon the person shall cease to be a director, officer,
11 employee, or agent of the corporate fiduciary. Any person
12 who has been removed or prohibited by an order of the
13 Commissioner under this Section or subsection (7) of Section
14 48 of the Illinois Banking Act may not thereafter serve as
15 director, officer, employee, or agent of any State bank or
16 corporate fiduciary, or of any other entity that is subject
17 to licensure or regulation by the Commissioner or the Office
18 of Banks and Real Estate unless the Commissioner has granted
19 prior approval in writing. The Commissioner may institute a
20 civil action against the director, officer, employee, or
21 agent subject to an order issued under this Section and
22 against the corporate fiduciary to enforce compliance with or
23 to enjoin any violation of the terms of the order.

24 (Source: P.A. 90-301, eff. 8-1-97; 90-665, eff. 7-30-98.)

25 (205 ILCS 620/6-2) (from Ch. 17, par. 1556-2)

26 Sec. 6-2. Control by Commissioner.

27 (a) If the Commissioner with respect to a corporate
28 fiduciary shall find:

29 (1) Its capital is impaired or it is otherwise in an
30 unsound condition; or

31 (2) Its business is being conducted in an unlawful
32 manner, including, without limitation, in violation of any
33 provisions of this Act or of an order of the Commissioner, or

1 in a fraudulent or unsafe manner; or

2 (3) It is unable to continue operations; or

3 (4) Its examination has been obstructed or impeded; the
4 Commissioner may give notice to the board of directors of the
5 corporate fiduciary of his finding or findings. If the
6 situation so found by the Commissioner shall not be corrected
7 to his satisfaction within 60 days after receipt of such
8 notice, the Commissioner at the termination of said 60 days
9 may shall take possession and control of the corporate
10 fiduciary, its assets, and assets held for beneficiaries of
11 its fiduciary obligations, as in this Act provided for the
12 purpose of examination, reorganization or liquidation through
13 receivership.

14 (b) If, in addition to a finding as provided in
15 subsection (a) of this Section, the Commissioner shall be of
16 the opinion and shall find that an emergency exists which may
17 result in serious losses to the beneficiaries of fiduciary
18 relationships with the corporate fiduciary, he may, in his
19 discretion, without having given the notice provided for in
20 subsection (a) of this Section, and whether or not
21 proceedings under subsection (a) of this Section have been
22 instituted or are then pending, forthwith take possession and
23 control of the corporate fiduciary and its assets for the
24 purpose of examination, reorganization or liquidation through
25 receivership.

26 (Source: P.A. 85-858.)

27 Section 45. The Foreign Banking Office Act is amended by
28 changing Sections 11 and 12 as follows:

29 (205 ILCS 645/11) (from Ch. 17, par. 2718)

30 Sec. 11. Pledging requirements; discretion of
31 Commissioner. A foreign banking corporation holding a
32 certificate of authority issued pursuant to this Act may be

1 required, when deemed necessary and appropriate in the
2 opinion of the Commissioner, to keep on deposit with the
3 Federal Reserve Bank of Chicago or such State bank or
4 national bank as such foreign banking corporation may
5 designate and the Commissioner may approve, interest-bearing
6 stocks and bonds, notes, debentures or other obligations of
7 the United States or any agency or instrumentality thereof or
8 guaranteed by the United States, or of this State, or of a
9 city, county, town, village, school district, or
10 instrumentality of this State or guaranteed by this State, or
11 dollar deposits, or obligations of the International Bank for
12 Reconstruction and Development, or obligations issued by the
13 Inter-American Development Bank, or obligations of the Asian
14 Development Bank, or obligations of the African Development
15 Bank, or obligations of the International Finance
16 Corporation, or such other assets as the Commissioner shall
17 permit, to an aggregate amount, based upon principal amount
18 or market value, whichever is lower, in the case of the
19 above-described securities, and subject to such limitations
20 as he shall prescribe, such amount as the Commissioner deems
21 necessary for the protection of depositors or the costs of
22 taking possession and control of not less than the greater of
23 \$100,000 or 5% of the total liabilities (including contingent
24 liabilities of such banking office, including acceptances,
25 but excluding (i) accrued expenses, (ii) amounts due and
26 other liabilities to other offices, agencies or branches of,
27 and wholly owned (except for a nominal number of directors'
28 shares) subsidiaries of, such foreign banking corporation,
29 and (iii) such contingent liabilities as the Commissioner may
30 exclude. The deposit shall be maintained with the Federal
31 Reserve Bank of Chicago or any such State bank or national
32 bank pursuant to a deposit agreement in such form and
33 containing such conditions and limitations (including a
34 deposit in the name of the Commissioner in trust for the

1 depositors of such banking office) as the Commissioner may
2 prescribe. So long as it continues business in the ordinary
3 course such banking office shall, however, be permitted to
4 collect interest on the securities so deposited and from time
5 to time exchange, examine and compare such securities.

6 (Source: P.A. 89-208, eff. 6-1-97; 90-301, eff. 8-1-97.)

7 (205 ILCS 645/12) (from Ch. 17, par. 2719)

8 Sec. 12. Control by Commissioner.

9 (a) Upon the Commissioner's taking possession, pursuant
10 to Section 53 of the Illinois Banking Act, of the business
11 and property in this State of the banking office of a foreign
12 banking corporation whose deposit liabilities in this State
13 are not insured by the Federal Deposit Insurance Corporation,
14 the amounts deposited pursuant to Section 11 shall thereupon
15 become the property of the Commissioner, free and clear of
16 any and all liens and other claims, and shall be held by the
17 Commissioner ~~him~~ in trust for the depositors of such banking
18 office. The Commissioner may, without regard to any
19 priorities, preferences, or adverse claims and without
20 obtaining the approval of any court, reduce such property to
21 cash and, as soon as practicable, utilize the cash to cover
22 initial liquidation costs, if any, and then distribute any
23 excess ~~it~~ to such depositors on a pro rata basis; but no
24 depositor may receive an amount in excess of his account
25 balances. For purposes of this Section, the term "depositor"
26 does not include any other offices or branches of, or
27 wholly-owned (except for a nominal number of directors'
28 shares) subsidiaries of, such foreign banking corporation,
29 but includes those to whom such banking office is indebted by
30 virtue of money or its equivalent received by such banking
31 office (i) for which it has given credit or is obligated to
32 give credit to a time or demand deposit or which is evidenced
33 by a check or draft against a deposit account and certified

1 by such banking office, or (ii) for which it has issued a
2 letter of credit for cash or a traveler's check on which such
3 banking office is primarily liable, or (iii) for which it has
4 issued an outstanding draft (including advice or
5 authorization to charge the banking office's balance at
6 another bank), cashier's check or money order, or other
7 officer's check.

8 (b) Whenever the Commissioner takes possession of the
9 property and business of a foreign bank pursuant to Section
10 53 of the Illinois Banking Act, the Commissioner shall
11 conserve or liquidate the property and business of the
12 foreign bank pursuant to the laws of this State as if the
13 foreign bank were an Illinois bank, with absolute preference
14 and priority given to the creditors of the foreign bank
15 arising out of transactions with, and recorded on the books
16 of, its Illinois state branch or Illinois state agency over
17 the creditors of the foreign bank's offices located outside
18 this State. When the Commissioner has completed the
19 liquidation of the property and business of a foreign bank,
20 the Commissioner shall transfer any remaining assets to the
21 foreign bank in accordance with such orders as the court may
22 issue. However, in case the foreign bank has an office in
23 another state of the United States which is in liquidation
24 and the assets of such office appear to be insufficient to
25 pay in full the creditors of that office, the court shall
26 order the Commissioner to transfer to the liquidator of that
27 office such amount of any such remaining assets as appears to
28 be necessary to cover the insufficiency; if there are 2 or
29 more such offices and the amount of remaining assets is less
30 than the aggregate amount of insufficiencies with respect to
31 the offices, the court shall order the Commissioner to
32 distribute the remaining assets among the liquidators of
33 those offices in such manner as the court finds equitable.

34 (Source:P.A. 84-1308.)

1 Section 50. The Foreign Bank Representative Office Act
2 is amended by changing Sections 4, 6, and 8 as follows:

3 (205 ILCS 650/4) (from Ch. 17, par. 2854)

4 Sec. 4. Application; fees.

5 (a) The application for a license shall contain
6 information and be accompanied by a reasonable fee as
7 determined, by rule, by the Commissioner ~~but-in-no-event~~
8 ~~shall-such-fee-exceed-\$300-per-year.~~

9 (b) The Commissioner shall issue a license to a foreign
10 bank to establish and maintain a representative office if the
11 Commissioner finds:

12 (1) the foreign bank is of good character and sound
13 financial standing;

14 (2) the management of the foreign bank and the proposed
15 management of the representative office are adequate; and

16 (3) the convenience and needs of persons to be served by
17 the proposed representative office will be promoted.

18 (Source: P.A. 85-204.)

19 (205 ILCS 650/6) (from Ch. 17, par. 2856)

20 Sec. 6. Revocation of license. If the Commissioner
21 finds:

22 (a) the licensee or its representative has violated any
23 provision of this Act or other law, rule, or regulation of
24 this State; or

25 (b) any fact or condition exists which, if it had
26 existed at the time of the original application for such
27 license, would have resulted in the Commissioner refusing to
28 issue such license; then the Commissioner, ~~may-certify-such~~
29 ~~findings-to--the--State--Banking--Board--of--Illinois.~~ after
30 granting the licensee or representative a reasonable
31 opportunity to be heard ~~before-the-Board, the-Board,~~ ~~upon--a~~
32 ~~majority-vote-of-all-its-members,~~ may revoke such license.

1 (Source: P.A. 85-204.)

2 (205 ILCS 650/8)

3 Sec. 8. Powers of the Commissioner. The Commissioner
4 shall have under this Act all of the powers granted to him
5 under the Illinois Banking Act, including the authority to
6 impose a reasonable charge to recover the cost of an
7 examination conducted by the Commissioner, to the extent
8 necessary to enable the Commissioner to supervise the
9 representative office of a foreign bank holding a license.

10 (Source: P.A. 90-301, eff. 8-1-97; 90-655, eff. 7-30-98.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law."