

1 AN ACT concerning corporate fiduciaries.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Corporate Fiduciary Act is amended by
5 changing Sections 5-10 and 8-1 and adding Section 2-6.5 and
6 Section 9-6 as follows:

7 (205 ILCS 620/2-6.5 new)

8 Sec. 2-6.5. Directors.

9 (a) The business and affairs of a corporate fiduciary
10 shall be managed by its board of directors, which shall
11 exercise its powers in accordance with this Section.

12 (b) The directors shall be elected as provided in
13 this Act. Any omission to elect a director or directors
14 shall not impair any of the rights and privileges of the
15 corporate fiduciary or of any person in any way interested.
16 The existing directors shall hold office until their
17 successors are elected and qualify.

18 (c) Notwithstanding the provisions of any certificate of
19 authority heretofore or hereafter issued, the number of
20 directors, not fewer than 5, may be fixed from time to time
21 by the stockholders at any meeting of the stockholders
22 called for the purpose of electing directors or
23 changing the number thereof by the affirmative vote of at
24 least two-thirds of the outstanding stock entitled to vote at
25 the meeting, and the number so fixed shall be the board
26 regardless of vacancies until the number of directors is
27 thereafter changed by similar action.

28 (d) Except as otherwise provided in this subsection,
29 directors shall hold office until the next annual meeting
30 of the stockholders succeeding their election or until
31 their successors are elected and qualify. If the board of

1 directors consists of 6 or more members, in lieu of electing
2 the membership of the whole board of directors annually, the
3 by-laws of a corporate fiduciary may provide that the
4 directors shall be divided into either 2 or 3 classes, each
5 class to be as nearly equal in number as is possible. The
6 term of office of directors of the first class shall expire
7 at the first annual meeting of the stockholders after their
8 election, that of the second class shall expire at the second
9 annual meeting after their election, and that of the third
10 class, if any, shall expire at the third annual meeting after
11 their election. At each annual meeting after classification,
12 the number of directors equal to the number of the class
13 whose terms expire at the time of the meeting shall be
14 elected to hold office until the second succeeding annual
15 meeting if there are 2 classes or until the third succeeding
16 annual meeting if there are 3 classes. Vacancies may be
17 filled by stockholders at a special meeting called for the
18 purpose. If authorized by the corporate fiduciary's
19 by-laws or an amendment thereto, the directors of a corporate
20 fiduciary may properly fill a vacancy or vacancies arising
21 between stockholders' meetings, but at no time may the number
22 of directors selected to fill a vacancy in this manner
23 during any interim period between stockholders' meetings
24 exceed one-third of the total membership of the board of
25 directors.

26 (e) The board of directors shall hold regular
27 meetings at least once each month, provided that, upon prior
28 written approval by the Commissioner, the board of
29 directors may hold regular meetings less frequently than
30 once each month but at least once each calendar quarter. A
31 special meeting of the board of directors may be held as
32 provided by the by-laws. A special meeting of the board
33 of directors may also be held as provided in Section 5-5 of
34 this Act. A majority of the board of directors shall

1 constitute a quorum for the transaction of business unless a
2 greater number is required by the by-laws. The act of the
3 majority of the directors present at a meeting at which a
4 quorum is present shall be the act of the board of directors
5 unless the act of a greater number is required by the
6 by-laws.

7 (f) A member of the board of directors shall be elected
8 president. The board of directors may appoint other officers,
9 as the by-laws may provide, and fix their salaries to carry
10 on the business of the corporate fiduciary. The board of
11 directors may make and amend by-laws (not inconsistent with
12 this Act) for the government of the corporate fiduciary and
13 may, by the affirmative vote of a majority of the board of
14 directors, establish reasonable compensation of all
15 directors for services to the corporation as directors,
16 officers, or otherwise. An officer, whether elected or
17 appointed by the board of directors or appointed
18 pursuant to the by-laws, may be removed by the board of
19 directors at any time.

20 (g) The board of directors shall cause suitable books
21 and records of all the corporate fiduciary's transactions to
22 be kept.

23 (h) The provisions of this Section do not apply to a
24 corporate fiduciary that is a trust department of a bank,
25 savings bank, savings and loan association, or foreign
26 banking corporation issued a certificate of authority
27 pursuant to the Foreign Banking Office Act.

28 (205 ILCS 620/5-10) (from Ch. 17, par. 1555-10)

29 Sec. 5-10. Fees; receivership account.

30 (a) There shall be paid to the Commissioner by every
31 corporate fiduciary including each trust company, bank,
32 savings and loan association, and savings bank to which this
33 Act shall apply, reasonable fees that the Commissioner shall

1 assess to recover the costs of administration, certification,
2 examination and supervision of trusts authorized under this
3 Act.

4 (b) In addition to the fees authorized in subsection (a)
5 of this Section the Commissioner shall assess reasonable
6 receivership fees and establish a Corporate Fiduciary
7 Receivership account in the Bank and Trust Company Fund to
8 provide for the expenses that arise from the administration
9 of the receivership of a corporate fiduciary under this Act.
10 The aggregate of such assessments shall be paid into the
11 Corporate Fiduciary Receivership account in the Bank and
12 Trust Company Fund. The assessments for this account shall
13 be levied until the sum of \$5,000,000 ~~\$350,000~~ has been
14 deposited into the account from assessments authorized
15 herein, whereupon the Corporate Fiduciary Receivership
16 account assessment shall be abated. If a receivership of a
17 corporate fiduciary under this Act requires expenditures from
18 this account, assessments may be reinstated until the
19 balance in the Corporate Fiduciary Receivership account
20 arising from assessments is restored to \$5,000,000 ~~\$350,000~~.

21 (c) The Commissioner may, by rule, establish a
22 reasonable manner of assessing the receivership assessments
23 under this Section.

24 (Source: P.A. 86-754; 86-952.)

25 (205 ILCS 620/8-1) (from Ch. 17, par. 1558-1)

26 Sec. 8-1. False statements. It is unlawful for any
27 officer, director, employee, or agent of any corporate
28 fiduciary subject to examination by the Commissioner or any
29 person filing an application or submitting information in
30 connection with an application to the Commissioner to who
31 shall willfully and knowingly subscribe to or make, or cause
32 to be made, any false statement or false entry with intent to
33 deceive any person or persons authorized to examine into the

1 affairs of the such corporate fiduciary or applicant or with
 2 intent to deceive the Commissioner or his administrative
 3 officers in the performance of their duties under this Act.
 4 A person who violates this Section is upon conviction thereof
 5 shall be guilty of a Class 3 felony.

6 (Source: P.A. 85-858.)

7 (205 ILCS 620/9-6 new)

8 Sec. 9-6. Audits.

9 (a) At least once in each calendar year a corporate
 10 fiduciary must cause its books and records to be audited by
 11 an independent licensed public accountant. The Commissioner
 12 may prescribe the scope of the audit within generally
 13 accepted audit principles and standards.

14 (b) The independent licensed public accountant shall
 15 provide a written audit report to the corporate fiduciary's
 16 board of directors or to a committee appointed by the
 17 corporate fiduciary's board of directors. If the audit
 18 report is given to a committee appointed by the corporate
 19 fiduciary's board of directors, the committee shall, within
 20 30 days after the date of receipt of the audit report,
 21 provide the board of directors with a written summary of the
 22 audit findings as detailed in the audit report.

23 (c) The corporate fiduciary's board of directors or
 24 committee appointed by the board of directors shall cause a
 25 copy of the audit report and any written summary pursuant to
 26 paragraph (b) of this Section to be filed with the
 27 Commissioner within 45 days after receipt of the audit
 28 report.

29 Section 99. Effective date. This Act takes effect upon
 30 becoming law.