

TC10 Reports of New Executive Officers, Directors, and Persons in Control and Related Late Filing Penalty [Section 11-109-402(5) and (6), C.R.S.]

- A. Any person who becomes an executive officer, director, or person responsible, directly or indirectly, for the management, control, or operation of a trust company, must notify the Division of Banking in writing within ninety (90) days thereafter.

The written notice must include a statement describing any civil or criminal offenses of which such person has been found guilty or liable by any federal or state court or federal or state regulatory agency.

- B. In addition, any person who becomes an executive officer, director, or person responsible, directly or indirectly, for the management, control, or operation of a trust company, must file a biographical report with the Division within ninety (90) days thereafter, if:

1. The trust company has been chartered less than two (2) years;
2. Within the preceding two (2) years, the trust company has undergone a change in control that required a notice to be filed pursuant to Section 11-109-401(2), C.R.S.;
3. Within the preceding two (2) years, the holding company became a registered holding company, unless the holding company is owned or controlled by a registered holding company, or the holding company was established in a reorganization in which substantially all of the shareholders of the holding company were shareholders of the trust company prior to the holding company's formation; or
4. The trust company or holding company is not in compliance with all minimum capital requirements applicable to the institution as determined on the basis of the institution's most recent report of condition, examination, or is otherwise in a troubled condition as indicated by a composite rating of 3, 4, or 5 at the institution's most recent examination by a state or federal banking regulator.

The biographical report to be filed with the Division of Banking may be either on the form provided by the Division of Banking or the form filed with the institution's federal regulator for reporting the change of executive officer, director, or person in control.

- C. For the purposes of this Rule, except as provided in Paragraph (D), the term "director" does not include an advisory director who:

1. Is not elected by the shareholders of the trust company;
2. Is not authorized to vote on any matters before the board of directors; and
3. Provides solely general policy advice to the board of directors.

- D. The Banking Board or the Division of Banking may otherwise determine that additional reporting is required of any person who becomes an executive officer, director, or person in control. Written notice will be provided by the Division of Banking to such person of any additional requirements.

- E. The Banking Board may assess a \$~~100~~25.00 per day penalty for late filing of reports of new executive officers, directors, and persons in control that are required by Section 11-109-402(5) and (6), C.R.S., and this Rule. Said penalty may be waived by the Banking Board pursuant to statute. Filing of an incorrect report form is not grounds for the waiving of the penalty.