

§ 53-337. Required initial capital.

(a) The Commissioner shall not issue a charter to a proposed State trust company having initial capital of less than two million dollars (\$2,000,000), except as provided in subsection (b) of this section.

(b) The Commissioner may require additional initial capital for a proposed State trust company if the Commissioner finds the proposed scope or type of operation of a proposed State trust company requires additional initial capital for the safe and sound operation of the State trust company. The Commissioner may reduce the amount of minimum initial capital required for a proposed State trust company if the Commissioner finds the proposed scope or type of operation of a proposed State trust company may be formed with reduced initial capital consistent with the safe and sound operation of the State trust company. The safety and soundness factors to be considered by the Commissioner in the exercise of the Commissioner's discretion include:

- (1) The nature and type of business proposed to be conducted;
- (2) The nature and liquidity of assets proposed to be held in a corporate capacity;
- (3) The amount of fiduciary assets projected to be under management;
- (4) The type of fiduciary assets proposed to be held and the proposed depository of the assets;
- (5) The complexity of fiduciary duties and degree of discretion proposed to be undertaken;
- (6) The competence and experience of proposed management;
- (7) The extent and adequacy of proposed internal controls;
- (8) The proposed presence or absence of annual unqualified audits by an independent certified public accountant;
- (9) The reasonableness of business plans for retaining or acquiring additional equity capital; and
- (10) The existence and adequacy of insurance proposed to be obtained by the trust company for the purpose of protecting its clients, beneficiaries, and grantors. (2001-263, s. 1.)