

REFERENCE TITLE: **financial institution; depositories**

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

# **SB 1614**

Introduced by  
Senator Rogers

AN ACT

AMENDING TITLE 6, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 18; RELATING  
TO FINANCIAL INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Title 6, Arizona Revised Statutes, is amended by adding  
3 chapter 18, to read:

4 CHAPTER 18

5 SPECIAL PURPOSE DEPOSITORY INSTITUTIONS

6 ARTICLE 1. GENERAL PROVISIONS

7 6-1801. Special purpose depository institutions; operating  
authority; powers; prohibition on lending

8 A. A SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY BE ESTABLISHED IN  
9 THIS STATE.

10 B. EACH SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY:

- 11 1. MAKE CONTRACTS.
- 12 2. SUE AND BE SUED.

13 3. RECEIVE NOTES AND BUY AND SELL GOLD AND SILVER COINS AND BULLION  
14 AS ALLOWED BY FEDERAL LAW.

15 4. CARRY ON A NONLENDING BANKING BUSINESS FOR DEPOSITORS CONSISTENT  
16 WITH SUBSECTION C OF THIS SECTION.

17 5. PROVIDE PAYMENT SERVICES AT THE DEPOSITOR'S REQUEST.

18 6. MAKE AN APPLICATION TO BECOME A MEMBER BANK OF THE FEDERAL  
19 RESERVE SYSTEM.

20 7. ENGAGE IN ANY OTHER ACTIVITY THAT IS USUAL OR INCIDENTAL TO THE  
21 BUSINESS OF BANKING, SUBJECT TO THE PRIOR WRITTEN APPROVAL OF THE DEPUTY  
22 DIRECTOR. THE DEPUTY DIRECTOR MAY NOT APPROVE A REQUEST TO ENGAGE IN AN  
23 INCIDENTAL ACTIVITY IF THE DEPUTY DIRECTOR FINDS THAT THE REQUESTED  
24 ACTIVITY WILL ADVERSELY AFFECT THE SOLVENCY OR THE SAFETY AND SOUNDNESS OF  
25 THE SPECIAL PURPOSE DEPOSITORY INSTITUTION OR CONFLICT WITH THIS CHAPTER.

26 8. EXERCISE POWERS AND RIGHTS OTHERWISE AUTHORIZED BY LAW THAT ARE  
27 NOT INCONSISTENT WITH THIS CHAPTER.

28 C. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, A SPECIAL PURPOSE  
29 DEPOSITORY INSTITUTION MAY NOT MAKE LOANS, INCLUDING TEMPORARY CREDIT  
30 RELATING TO OVERDRAFTS. A SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY  
31 PURCHASE DEBT OBLIGATIONS.

32 D. A SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL MAINTAIN ITS  
33 PRINCIPAL OPERATING HEADQUARTERS AND THE PRIMARY OFFICE OF ITS CHIEF  
34 EXECUTIVE OFFICER IN THIS STATE.

35 E. AS AUTHORIZED BY THIS SECTION, THE SPECIAL PURPOSE DEPOSITORY  
36 INSTITUTION MAY CONDUCT BUSINESS WITH DEPOSITORS OUTSIDE THIS STATE.

37 F. SUBJECT TO THE LAWS OF THE HOST STATE, A SPECIAL PURPOSE  
38 DEPOSITORY INSTITUTION MAY OPEN A BRANCH IN ANOTHER STATE IN THE MANNER  
39 PRESCRIBED BY THE DEPUTY DIRECTOR. A SPECIAL PURPOSE DEPOSITORY  
40 INSTITUTION, INCLUDING ANY BRANCH OF THE INSTITUTION, MAY ONLY ACCEPT  
41 DEPOSITS OR PROVIDE OTHER SERVICES UNDER THIS CHAPTER TO DEPOSITORS  
42 ENGAGED IN A LAWFUL BUSINESS PURSUANT TO THE LAWS OF THIS STATE, THE LAWS  
43 OF THE HOST STATE AND FEDERAL LAW.

1           6-1802. Depositors: requirements: nature of business

2           A. A DEPOSITOR MAY NOT MAINTAIN AN ACCOUNT WITH A SPECIAL PURPOSE  
3 DEPOSITORY INSTITUTION OR OTHERWISE RECEIVE ANY SERVICES FROM THE  
4 INSTITUTION UNLESS THE DEPOSITOR MEETS THE CRITERIA OF THIS SUBSECTION. A  
5 DEPOSITOR SHALL:

- 6           1. BE A LEGAL ENTITY OTHER THAN A NATURAL PERSON.
- 7           2. BE IN GOOD STANDING WITH THE JURISDICTION IN THE UNITED STATES  
8 IN WHICH IT IS INCORPORATED OR ORGANIZED.
- 9           3. MAINTAIN DEPOSITS WITH THE INSTITUTION TOTALING AT LEAST \$5,000.
- 10           4. BE ENGAGED IN A LAWFUL BUSINESS.
- 11           5. MAKE SUFFICIENT EVIDENCE AVAILABLE TO THE SPECIAL PURPOSE  
12 DEPOSITORY INSTITUTION TO ENABLE COMPLIANCE WITH ANTI-MONEY LAUNDERING,  
13 CUSTOMER IDENTIFICATION AND BENEFICIAL OWNERSHIP REQUIREMENTS, AS  
14 DETERMINED BY THE INSTITUTION.

15           B. A DEPOSITOR THAT MEETS THE CRITERIA OF SUBSECTION A OF THIS  
16 SECTION SHALL BE ISSUED A DEPOSITORY ACCOUNT AND OTHERWISE RECEIVE  
17 SERVICES FROM THE SPECIAL PURPOSE DEPOSITORY INSTITUTION, CONTINGENT ON  
18 THE AVAILABILITY OF SUFFICIENT INSURANCE AS DETERMINED BY THE DEPUTY  
19 DIRECTOR.

20           C. A SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL REQUIRE THAT A  
21 POTENTIAL DEPOSITOR PROVIDE REASONABLE EVIDENCE THAT THE PERSON IS ENGAGED  
22 IN A LAWFUL BUSINESS OR IS LIKELY TO OPEN A LAWFUL BUSINESS WITHIN THE  
23 NEXT SIX MONTHS. FOR THE PURPOSES OF THIS SUBSECTION, "REASONABLE  
24 EVIDENCE" INCLUDES BUSINESS ENTITY FILINGS, ARTICLES OF INCORPORATION OR  
25 ORGANIZATION, BYLAWS, OPERATING AGREEMENTS, BUSINESS PLANS, PROMOTIONAL  
26 MATERIALS, FINANCING AGREEMENTS OR OTHER EVIDENCE.

27           6-1803. Required liquid assets: definition

28           A. A SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL MAINTAIN  
29 UNENCUMBERED LIQUID ASSETS VALUED AT AT LEAST ONE HUNDRED PERCENT OF ITS  
30 DEPOSITORY LIABILITIES.

31           B. FOR THE PURPOSES OF THIS SECTION, "LIQUID ASSETS" MEANS:

32           1. UNITED STATES CURRENCY HELD ON THE PREMISES OF THE SPECIAL  
33 PURPOSE DEPOSITORY INSTITUTION.

34           2. UNITED STATES CURRENCY HELD FOR THE SPECIAL PURPOSE DEPOSITORY  
35 INSTITUTION BY A FEDERAL RESERVE BANK OR A FEDERALLY INSURED FINANCIAL  
36 INSTITUTION.

37           3. INVESTMENTS THAT ARE HIGHLY LIQUID AND OBLIGATIONS OF THE UNITED  
38 STATES TREASURY OR OTHER FEDERAL AGENCY OBLIGATIONS, CONSISTENT WITH RULES  
39 ADOPTED BY THE DEPUTY DIRECTOR.

40           6-1804. Required contingency account

41           A. A SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL MAINTAIN A  
42 CONTINGENCY ACCOUNT TO ACCOUNT FOR UNEXPECTED LOSSES AND EXPENSES. A  
43 SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY REQUIRE THE PAYMENT OF  
44 CONTRIBUTIONS FROM DEPOSITORS TO FUND A CONTINGENCY ACCOUNT. INITIAL  
45 CAPITAL PURSUANT TO SECTION 6-1808 CONSTITUTES COMPLIANCE WITH THIS

1 SUBSECTION FOR THE FIRST THREE YEARS A SPECIAL PURPOSE DEPOSITORY  
2 INSTITUTION IS IN OPERATION. AFTER THE CONCLUSION OF THE FIRST THREE  
3 YEARS OF OPERATION, A SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL  
4 MAINTAIN A CONTINGENCY ACCOUNT TOTALING AT LEAST TWO PERCENT OF THE  
5 DEPOSITORY LIABILITIES OF THE SPECIAL PURPOSE DEPOSITORY INSTITUTION IF  
6 THE CONTINGENCY ACCOUNT IS ADEQUATE AND REASONABLE, AS DETERMINED BY THE  
7 DEPUTY DIRECTOR.

8 B. A DEPOSITOR SHALL OBTAIN A REFUND OF ANY CONTINGENCY ACCOUNT  
9 CONTRIBUTIONS MADE UNDER SUBSECTION A OF THIS SECTION AFTER CLOSING AN  
10 ACCOUNT WITH THE SPECIAL PURPOSE DEPOSITORY INSTITUTION.

11 **6-1805. Applicable federal and state laws**

12 A SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL COMPLY WITH ALL  
13 APPLICABLE FEDERAL LAWS, INCLUDING THOSE RELATING TO ANTI-MONEY  
14 LAUNDERING, CUSTOMER IDENTIFICATION AND BENEFICIAL OWNERSHIP.

15 **6-1806. Required disclosures**

16 A. A SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL DISPLAY ON ANY  
17 INTERNET WEBSITE IT MAINTAINS, AND AT EACH WINDOW OR PLACE WHERE IT  
18 ACCEPTS DEPOSITS, A SIGN CONSPICUOUSLY STATING THAT DEPOSITS ARE NOT  
19 INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, IF APPLICABLE.

20 B. WHEN OPENING AN ACCOUNT AND IF APPLICABLE, A SPECIAL PURPOSE  
21 DEPOSITORY INSTITUTION SHALL REQUIRE EACH DEPOSITOR TO EXECUTE A STATEMENT  
22 ACKNOWLEDGING THAT ALL DEPOSITS AT THE SPECIAL PURPOSE DEPOSITORY  
23 INSTITUTION ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION.  
24 THE SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL PERMANENTLY RETAIN THIS  
25 ACKNOWLEDGEMENT.

26 C. A SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL INCLUDE IN ALL  
27 ADVERTISING A DISCLOSURE THAT DEPOSITS ARE NOT INSURED BY THE FEDERAL  
28 DEPOSIT INSURANCE CORPORATION, IF APPLICABLE.

29 **6-1807. Formation; articles of incorporation**

30 A. EXCEPT AS OTHERWISE PROVIDED BY SUBSECTION C OF THIS SECTION,  
31 FIVE OR MORE ADULT PERSONS MAY FORM A SPECIAL PURPOSE DEPOSITORY  
32 INSTITUTION. THE INCORPORATORS SHALL FILE ARTICLES OF INCORPORATION  
33 PURSUANT TO TITLE 10.

34 B. COPIES OF ALL AMENDED ARTICLES OF INCORPORATION SHALL BE FILED  
35 IN THE SAME MANNER AS THE ORIGINAL ARTICLES OF INCORPORATION.

36 C. SUBJECT TO APPLICABLE FEDERAL AND STATE LAW, A BANK HOLDING  
37 COMPANY MAY APPLY TO HOLD A SPECIAL PURPOSE DEPOSITORY INSTITUTION.

38 **6-1808. Required initial capital and surplus**

39 A. THE CAPITAL STOCK OF EACH SPECIAL PURPOSE DEPOSITORY INSTITUTION  
40 CHARTERED UNDER THIS CHAPTER SHALL BE SUBSCRIBED FOR AS FULLY PAID STOCK.  
41 A SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY NOT BE CHARTERED WITH CAPITAL  
42 STOCK OF LESS THAN \$5,000,000.

43 B. A SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY NOT COMMENCE  
44 BUSINESS UNTIL THE FULL AMOUNT OF ITS AUTHORIZED CAPITAL IS SUBSCRIBED AND  
45 ALL CAPITAL STOCK IS FULLY PAID. A SPECIAL PURPOSE DEPOSITORY INSTITUTION

1 MAY NOT BE CHARTERED WITHOUT A PAID-UP SURPLUS FUND OF AT LEAST THREE  
2 YEARS OF ESTIMATED OPERATING EXPENSES IN AN AMOUNT DETERMINED BY THE  
3 DEPUTY DIRECTOR.

4 C. A SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY ACQUIRE ADDITIONAL  
5 CAPITAL BEFORE APPLYING FOR A CHARTER AND MAY REPORT THIS CAPITAL IN ITS  
6 CHARTER APPLICATION.

7 6-1809. Application for charter; fee; subaccount  
8 A. A PERSON MAY NOT ACT AS A SPECIAL PURPOSE DEPOSITORY INSTITUTION  
9 WITHOUT OBTAINING A CHARTER AND CERTIFICATE OF AUTHORITY TO OPERATE FROM  
10 THE DEPUTY DIRECTOR UNDER THIS CHAPTER.

11 B. A PERSON SHALL APPLY TO THE DEPUTY DIRECTOR FOR A CHARTER IN THE  
12 FORM PRESCRIBED BY THE DEPUTY DIRECTOR. THE DEPUTY DIRECTOR MAY ADOPT  
13 RULES TO ENACT THIS SECTION.

14 C. EACH APPLICATION FOR A CHARTER MUST BE ACCCOMPANIED BY AN  
15 APPLICATION FEE ESTABLISHED BY THE DEPUTY DIRECTOR BY RULE. THE DEPUTY  
16 DIRECTOR SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES  
17 RECEIVED IN THE SPECIAL PURPOSE DEPOSITORY INSTITUTIONS SUBACCOUNT.

18 D. THE SPECIAL PURPOSE DEPOSITORY INSTITUTIONS SUBACCOUNT WITHIN  
19 THE FINANCIAL INSTITUTIONS ADMINISTRATION ACCOUNT IS ESTABLISHED. MONIES  
20 IN THE SUBACCOUNT SHALL BE USED BY THE DEPUTY DIRECTOR TO SUPERVISE  
21 SPECIAL PURPOSE DEPOSITORY INSTITUTIONS AND TO OTHERWISE CARRY OUT THE  
22 DUTIES SPECIFIED BY THIS CHAPTER. MONIES IN THE SUBACCOUNT ARE  
23 CONTINUOUSLY APPROPRIATED TO THE SUBACCOUNT AND ARE EXEMPT FROM THE  
24 PROVISIONS OF SECTION 35-190 RELATING TO LAPSLING OF APPROPRIATIONS.

25 E. THE INCORPORATORS SHALL SOLICIT CAPITAL BEFORE FILING AN  
26 APPLICATION FOR A CHARTER WITH THE DEPUTY DIRECTOR CONSISTENT WITH THIS  
27 SECTION. IN THE EVENT AN APPLICATION FOR A CHARTER IS NOT FILED OR IS  
28 DENIED BY THE DIRECTOR, ALL CAPITAL SHALL BE PROMPTLY RETURNED WITHOUT  
29 LOSS.

30 6-1810. Procedure on filing application  
31 WHEN THE DEPUTY DIRECTOR RECEIVES AN APPLICATION FOR A SPECIAL  
32 PURPOSE DEPOSITORY INSTITUTION CHARTER, THE DEPUTY DIRECTOR SHALL NOTIFY  
33 THE APPLICANT IN WRITING WITHIN THIRTY CALENDAR DAYS OF ANY DEFICIENCY IN  
34 THE REQUIRED INFORMATION OR THAT THE APPLICATION HAS BEEN ACCEPTED FOR  
35 FILING. WHEN THE DEPUTY DIRECTOR IS SATISFIED THAT ALL REQUIRED  
36 INFORMATION HAS BEEN FURNISHED, THE DEPUTY DIRECTOR SHALL NOTIFY THE  
37 DIRECTOR. IF THE APPLICATION IS DENIED, THE APPLICANT HAS A RIGHT TO A  
38 HEARING IN ACCORDANCE WITH TITLE 41, CHAPTER 6, ARTICLE 10.

39 6-1811. Certificate of authority to commence business  
40 required; application; failure to commence business  
41 A. IF AN APPLICATION IS APPROVED AND A CHARTER IS GRANTED BY THE  
42 DIRECTOR PURSUANT TO THIS CHAPTER, A SPECIAL PURPOSE DEPOSITORY  
43 INSTITUTION MAY NOT COMMENCE BUSINESS UNTIL THE INSTITUTION RECEIVES A  
44 CERTIFICATE OF AUTHORITY TO OPERATE FROM THE DEPUTY DIRECTOR. THE

1 INSTITUTION SHALL APPLY FOR A CERTIFICATE OF AUTHORITY IN THE FORM  
2 PRESCRIBED BY THE DEPUTY DIRECTOR.

3 B. IF AN APPROVED SPECIAL PURPOSE DEPOSITORY INSTITUTION FAILS TO  
4 COMMENCE BUSINESS WITHIN SIX MONTHS AFTER A CERTIFICATE OF AUTHORITY TO  
5 OPERATE IS ISSUED BY THE DEPUTY DIRECTOR, THE CHARTER AND CERTIFICATE OF  
6 AUTHORITY SHALL EXPIRE. THE DIRECTOR, FOR GOOD CAUSE SHOWN AND ON AN  
7 APPLICATION FILED BEFORE THE SIX-MONTH PERIOD EXPIRES, MAY EXTEND THE TIME  
8 WITHIN WHICH THE SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY OPEN FOR  
9 BUSINESS.

10 6-1812. Surety bond; pledged investments; investment income;  
11 bond or pledge increases; hearings

12 A. EXCEPT AS OTHERWISE PROVIDED BY SUBSECTION B OF THIS SECTION, A  
13 SPECIAL PURPOSE DEPOSITORY INSTITUTION, BEFORE TRANSACTING ANY BUSINESS,  
14 SHALL PLEDGE OR FINISH A SURETY BOND TO THE DEPUTY DIRECTOR TO COVER COSTS  
15 LIKELY TO BE INCURRED BY THE DEPUTY DIRECTOR IN A LIQUIDATION OR  
16 CONSERVATORSHIP OF THE SPECIAL PURPOSE DEPOSITORY INSTITUTION. THE AMOUNT  
17 OF THE SURETY BOND OR PLEDGE OF ASSETS SHALL BE DETERMINED BY THE DEPUTY  
18 DIRECTOR IN AN AMOUNT SUFFICIENT TO DEFRAY THE COSTS OF A LIQUIDATION OR  
19 CONSERVATORSHIP.

20 B. IN LIEU OF A BOND, A SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY  
21 IRREVOCABLY PLEDGE SPECIFIED CAPITAL EQUIVALENT TO THE BOND REQUIRED UNDER  
22 SUBSECTION A OF THIS SECTION. ANY CAPITAL PLEDGED TO THE DEPUTY DIRECTOR  
23 UNDER THIS SUBSECTION SHALL BE HELD IN A STATE OR NATIONALLY CHARTERED  
24 BANK OR SAVINGS AND LOAN ASSOCIATION HAVING A PRINCIPAL OR BRANCH OFFICE  
25 IN THIS STATE. ALL COSTS ASSOCIATED WITH PLEDGING AND HOLDING THE CAPITAL  
26 ARE THE RESPONSIBILITY OF THE SPECIAL PURPOSE DEPOSITORY INSTITUTION.

27 C. THE DEPUTY DIRECTOR MAY ADOPT RULES TO ESTABLISH INVESTMENT  
28 GUIDELINES OR INVESTMENT OPTIONS FOR THE PURPOSES OF THE PLEDGE OR SURETY  
29 BOND REQUIRED BY THIS SECTION.

30 D. IN THE EVENT OF A LIQUIDATION OR CONSERVATORSHIP OF A SPECIAL  
31 PURPOSE DEPOSITORY INSTITUTION, THE DEPUTY DIRECTOR, WITHOUT REGARD TO  
32 PRIORITIES, PREFERENCES OR ADVERSE CLAIMS, MAY REDUCE THE SURETY BOND OR  
33 CAPITAL PLEDGED UNDER THIS SECTION TO CASH AS SOON AS PRACTICABLE AND USE  
34 THE CASH TO DEFRAY THE COSTS ASSOCIATED WITH THE LIQUIDATION OR  
35 CONSERVATORSHIP.

36 E. INCOME FROM CAPITAL PLEDGES UNDER SUBSECTION B OF THIS SECTION  
37 SHALL BE PAID TO THE SPECIAL PURPOSE DEPOSITORY INSTITUTION, UNLESS A  
38 LIQUIDATION OR CONSERVATORSHIP TAKES PLACE.

39 F. IF THE CURRENT SURETY BOND OR PLEDGED CAPITAL IS INSUFFICIENT,  
40 THE DEPUTY DIRECTOR MAY REQUIRE A SPECIAL PURPOSE DEPOSITORY INSTITUTION  
41 TO INCREASE ITS SURETY BOND OR PLEDGED CAPITAL BY PROVIDING AT LEAST  
42 THIRTY DAYS' WRITTEN NOTICE TO THE INSTITUTION. THE SPECIAL PURPOSE  
43 DEPOSITORY INSTITUTION MAY REQUEST A HEARING NOT MORE THAN THIRTY DAYS  
44 AFTER RECEIVING WRITTEN NOTICE FROM THE DEPUTY DIRECTOR UNDER THIS  
45 SUBSECTION.

1       6-1813. Reports and examinations: supervisory fees: required  
2       private insurance and bond

3           A. THE DEPUTY DIRECTOR MAY REQUEST REPORTS VERIFIED UNDER OATH FROM  
4       A SPECIAL PURPOSE DEPOSITORY INSTITUTION.

5           B. EVERY SPECIAL PURPOSE DEPOSITORY INSTITUTION IS SUBJECT TO THE  
6       EXAMINATION FOR THE DEPUTY DIRECTOR. THE DEPUTY DIRECTOR OR A FULLY  
7       APPOINTED EXAMINER SHALL VISIT AND EXAMINE SPECIAL PURPOSE DEPOSITORY  
8       INSTITUTIONS ON A SCHEDULE ESTABLISHED BY RULE. THE DEPUTY DIRECTOR OR A  
9       DULY APPOINTED EXAMINER SHALL MAKE A COMPLETE AND CAREFUL EXAMINATION OF  
10      THE CONDITION AND RESOURCES OF THE SPECIAL PURPOSE DEPOSITORY INSTITUTION,  
11      THE MODE OF MANAGING INSTITUTION AFFAIRS AND CONDUCTING BUSINESS, THE  
12      ACTIONS OF OFFICERS AND DIRECTORS IN THE INVESTMENT AND DISPOSITION OF  
13      FUNDS, THE SAFETY AND PRUDENCE OF INSTITUTION MANAGEMENT, COMPLIANCE WITH  
14      THE REQUIREMENTS OF THIS CHAPTER AND OTHER MATTERS AS THE DEPUTY DIRECTOR  
15      MAY REQUIRE. AFTER AN EXAMINATION, THE SPECIAL PURPOSE DEPOSITORY  
16      INSTITUTION SHALL REMIT TO THE DEPUTY DIRECTOR AN AMOUNT EQUAL TO THE  
17      TOTAL COST OF THE EXAMINATION. THE DEPUTY DIRECTOR SHALL DEPOSIT,  
18      PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES RECEIVED INTO THE SPECIAL  
19      PURPOSE DEPOSITORY INSTITUTION SUBACCOUNT ESTABLISHED BY SECTION 6-1809.

20           C. A SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL PAY SUPERVISORY  
21      FEES IN AN AMOUNT TO BE DETERMINED BY THE DEPUTY DIRECTOR. A SPECIAL  
22      PURPOSE DEPOSITORY INSTITUTION SHALL PAY FOR THE COSTS OF ADMINISTERING  
23      THIS CHAPTER. THE DEPUTY DIRECTOR SHALL DEPOSIT, PURSUANT TO SECTIONS  
24      35-146 AND 35-147, MONIES RECEIVED INTO THE SPECIAL PURPOSE DEPOSITORY  
25      INSTITUTION SUBACCOUNT ESTABLISHED BY SECTION 6-1809.

26           D. A SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL MAINTAIN  
27      APPROPRIATE INSURANCE OR A BOND COVERING THE OPERATIONAL RISKS OF THE  
28      INSTITUTION, WHICH SHALL INCLUDE COVERAGE FOR DIRECTORS AND OFFICERS  
29      LIABILITY, ERRORS AND OMISSIONS LIABILITY AND INFORMATION TECHNOLOGY  
30      INFRASTRUCTURE AND ACTIVITIES LIABILITY.

31       6-1814. Suspension or revocation of charter

32           THE DEPUTY DIRECTOR MAY SUSPEND OR REVOKE THE CHARTER OF A SPECIAL  
33      PURPOSE DEPOSITORY INSTITUTION IF, AFTER NOTICE AND OPPORTUNITY FOR A  
34      HEARING, THE DEPUTY DIRECTOR DETERMINES ANY OF THE FOLLOWING:

35           1. THE SPECIAL PURPOSE DEPOSITORY INSTITUTION HAS FAILED OR REFUSED  
36      TO COMPLY WITH AN ORDER.

37           2. THE APPLICATION FOR THE CHARTER CONTAINED A FALSE STATEMENT,  
38      MATERIAL MISREPRESENTATION OR MATERIAL OMISSION.

39           3. AN OFFICER, DIRECTOR OR AGENT OF THE SPECIAL PURPOSE DEPOSITORY  
40      INSTITUTION, IN CONNECTION WITH AN APPLICATION FOR A CHARTER, EXAMINATION,  
41      REPORT OR OTHER DOCUMENT FILED WITH THE DEPUTY DIRECTOR, KNOWINGLY MADE A  
42      FALSE STATEMENT, MATERIAL MISREPRESENTATION OR MATERIAL OMISSION TO THE  
43      DIRECTOR, THE DEPUTY DIRECTOR OR A DULY AUTHORIZED AGENT OF THE DIRECTOR  
44      OR DEPUTY DIRECTOR.

1       6-1815. Continuing jurisdiction

2       IF THE CHARTER OF A SPECIAL PURPOSE DEPOSITORY INSTITUTION IS  
3 SURRENDERED, SUSPENDED OR REVOKED, THE INSTITUTION CONTINUES TO BE SUBJECT  
4 TO THIS CHAPTER DURING ANY LIQUIDATION OR CONSERVATORSHIP.

5       6-1816. Failure of institution; unsound or unsafe condition;  
6                   applicability of other insolvency and  
7                   conservatorship provisions

8       IF THE DEPUTY DIRECTOR FINDS THAT A SPECIAL PURPOSE DEPOSITORY  
9 INSTITUTION HAS FAILED OR IS OPERATING IN AN UNSAFE OR UNSOUND CONDITION,  
10 THE DEPUTY DIRECTOR SHALL CONDUCT A LIQUIDATION OR APPOINT A CONSERVATOR.

11       6-1817. Voluntary dissolution of special purpose depository  
12                   institution; liquidation; reorganization;  
13                   application for dissolution; filing fee; filing;  
14                   revocation of charter

15       A. A SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY VOLUNTARILY  
16 DISSOLVE IN ACCORDANCE WITH THIS SECTION. VOLUNTARY DISSOLUTION SHALL BE  
17 ACCOMPLISHED BY EITHER LIQUIDATING OR REORGANIZING THE SPECIAL PURPOSE  
18 DEPOSITORY INSTITUTION INTO AN APPROPRIATE BUSINESS ENTITY THAT DOES NOT  
19 ENGAGE IN ANY ACTIVITY AUTHORIZED FOR ONLY A SPECIAL PURPOSE DEPOSITORY  
20 INSTITUTION. ON COMPLETE LIQUIDATION OR COMPLETION OF THE REORGANIZATION,  
21 THE DEPUTY DIRECTOR SHALL REVOKE THE CHARTER OF THE SPECIAL PURPOSE  
22 DEPOSITORY INSTITUTION AND AFTERWARD, THE COMPANY SHALL NOT USE THE WORD  
23 "SPECIAL PURPOSE DEPOSITORY INSTITUTION" OR "BANK" IN ITS BUSINESS NAME OR  
24 IN CONNECTION WITH ITS ONGOING BUSINESS.

25       B. THE SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY DISSOLVE ITS  
26 CHARTER EITHER BY LIQUIDATION OR REORGANIZATION. THE BOARD OF DIRECTORS  
27 SHALL FILE AN APPLICATION FOR DISSOLUTION WITH THE DEPUTY DIRECTOR,  
28 ACCOMPANIED BY A FILING FEE ESTABLISHED BY THE DEPUTY DIRECTOR BY RULE.  
29 THE APPLICATION SHALL INCLUDE A COMPREHENSIVE PLAN FOR DISSOLUTION SETTING  
30 FORTH THE PROPOSED DISPOSITION OF ALL ASSETS AND LIABILITIES, IN  
31 REASONABLE DETAIL TO EFFECT A LIQUIDATION OR REORGANIZATION, AND ANY OTHER  
32 PLANS REQUIRED BY THE DEPUTY DIRECTOR. THE PLAN OF DISSOLUTION SHALL  
33 PROVIDE FOR THE DISCHARGE OR ASSUMPTION OF ALL OF THE KNOWN AND UNKNOWN  
34 CLAIMS AND LIABILITIES OF THE SPECIAL PURPOSE DEPOSITORY INSTITUTION.  
35 ADDITIONALLY, THE APPLICATION FOR DISSOLUTION SHALL INCLUDE OTHER  
36 EVIDENCE, CERTIFICATES, AFFIDAVITS, DOCUMENTS OR INFORMATION AS THE DEPUTY  
37 DIRECTOR MAY REQUIRE, INCLUDING DEMONSTRATION OF HOW ASSETS AND  
38 LIABILITIES WILL BE DISPOSED, THE TIMETABLE FOR EFFECTING DISPOSITION OF  
39 THE ASSETS AND LIABILITIES AND A PROPOSAL OF THE SPECIAL PURPOSE  
40 DEPOSITORY INSTITUTION FOR ADDRESSING ANY CLAIMS THAT ARE ASSERTED AFTER  
41 DISSOLUTION HAS BEEN COMPLETED. THE DEPUTY DIRECTOR SHALL EXAMINE THE  
42 APPLICATION FOR COMPLIANCE WITH THIS SECTION, THE BUSINESS ENTITY LAWS  
43 APPLICABLE TO THE REQUIRED TYPE OF DISSOLUTION AND APPLICABLE RULES. THE  
44 DEPUTY DIRECTOR MAY CONDUCT A SPECIAL EXAMINATION AS DESCRIBED IN SECTION

1 6-1813 OF THE SPECIAL PURPOSE DEPOSITORY INSTITUTION FOR THE PURPOSES OF  
2 EVALUATING THE APPLICATION.

3 C. IF THE DEPUTY DIRECTOR FINDS THAT THE APPLICATION IS INCOMPLETE,  
4 THE DEPUTY DIRECTOR SHALL RETURN IT FOR COMPLETION NOT LATER THAN SIXTY  
5 DAYS AFTER IT IS FILED. IF THE APPLICATION IS FOUND TO BE COMPLETE BY THE  
6 DEPUTY DIRECTOR, THE DEPUTY DIRECTOR SHALL APPROVE OR DENY THE APPLICATION  
7 NOT LATER THAN THIRTY DAYS AFTER IT IS FILED. IF THE DEPUTY DIRECTOR  
8 APPROVES THE APPLICATION, THE SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY  
9 PROCEED WITH THE DISSOLUTION PURSUANT TO THE PLAN OUTLINED IN THE  
10 APPLICATION, SUBJECT TO ANY FURTHER CONDITIONS THE DEPUTY DIRECTOR MAY  
11 PRESCRIBE. IF THE SPECIAL PURPOSE DEPOSITORY INSTITUTION SUBSEQUENTLY  
12 DETERMINES THAT THE PLAN OF DISSOLUTION NEEDS TO BE AMENDED TO COMPLETE  
13 THE DISSOLUTION, THE SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL FILE AN  
14 AMENDED PLAN WITH THE DEPUTY DIRECTOR AND OBTAIN APPROVAL TO PROCEED UNDER  
15 THE AMENDED PLAN. IF THE DEPUTY DIRECTOR DENIES THE APPLICATION OR  
16 AMENDED PLAN, THE SPECIAL PURPOSE DEPOSITORY INSTITUTION MAY APPEAL THE  
17 DECISION TO THE DIRECTOR.

18 D. ON COMPLETION OF ALL ACTIONS REQUIRED UNDER THE PLAN OF  
19 DISSOLUTION AND SATISFACTION OF ALL CONDITIONS PRESCRIBED BY THE DEPUTY  
20 DIRECTOR, THE SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL SUBMIT A  
21 WRITTEN REPORT OF ITS ACTIONS TO THE DEPUTY DIRECTOR. THE REPORT SHALL  
22 CONTAIN A CERTIFICATION MADE UNDER OATH THAT THE REPORT IS TRUE AND  
23 CORRECT. FOLLOWING RECEIPT OF THE REPORT, THE DEPUTY DIRECTOR, NOT LATER  
24 THAN SIXTY DAYS AFTER THE FILING OF THE REPORT, SHALL EXAMINE THE SPECIAL  
25 PURPOSE DEPOSITORY INSTITUTION TO DETERMINE WHETHER THE DEPUTY DIRECTOR IS  
26 SATISFIED THAT ALL REQUIRED ACTIONS HAVE BEEN TAKEN IN ACCORDANCE WITH THE  
27 PLAN OF DISSOLUTION AND ANY CONDITIONS PRESCRIBED BY THE DEPUTY DIRECTOR.  
28 IF ALL REQUIREMENTS AND CONDITIONS HAVE BEEN MET, THE DEPUTY DIRECTOR,  
29 WITHIN THIRTY DAYS OF THE EXAMINATION, SHALL NOTIFY THE SPECIAL PURPOSE  
30 DEPOSITORY INSTITUTION IN WRITING THAT THE DISSOLUTION HAS BEEN COMPLETED  
31 AND ISSUE A CERTIFICATE OF DISSOLUTION.

32 E. ON RECEIVING A CERTIFICATE OF DISSOLUTION, THE SPECIAL PURPOSE  
33 DEPOSITORY INSTITUTION SHALL SURRENDER ITS CHARTER TO THE DEPUTY DIRECTOR.  
34 THE SPECIAL PURPOSE DEPOSITORY INSTITUTION SHALL THEN FILE ARTICLES OF  
35 DISSOLUTION AND OTHER DOCUMENTS AS REQUIRED BY TITLE 10 FOR A CORPORATION.  
36 IN THE CASE OF REORGANIZATION, THE SPECIAL PURPOSE DEPOSITORY INSTITUTION  
37 SHALL FILE DOCUMENTS AS PRESCRIBED BY TITLE 10.

38 F. IF THE DEPUTY DIRECTOR DETERMINES THAT ALL REQUIRED ACTIONS  
39 UNDER THE PLAN FOR DISSOLUTION, OR AS OTHERWISE REQUIRED BY THE DEPUTY  
40 DIRECTOR, HAVE NOT BEEN COMPLETED THE DEPUTY DIRECTOR SHALL NOTIFY THE  
41 SPECIAL PURPOSE DEPOSITORY INSTITUTION NOT LATER THAN THIRTY DAYS AFTER  
42 THIS DETERMINATION AND SHALL DESCRIBE IN WRITING WHAT ADDITIONAL ACTIONS  
43 MUST BE TAKEN FOR THE INSTITUTION TO BE ELIGIBLE FOR A CERTIFICATE OF  
44 DISSOLUTION. THE DEPUTY DIRECTOR SHALL ESTABLISH A REASONABLE DEADLINE  
45 FOR THE SUBMISSION OF EVIDENCE THAT ADDITIONAL ACTIONS HAVE BEEN TAKEN AND

1 THE DEPUTY DIRECTOR MAY EXTEND ANY DEADLINE ON GOOD CAUSE SHOWN. IF THE  
2 SPECIAL PURPOSE DEPOSITORY INSTITUTION FAILS TO FILE A SUPPLEMENTAL REPORT  
3 SHOWING THAT THE ADDITIONAL ACTIONS HAVE BEEN TAKEN BEFORE THE DEADLINE OR  
4 SUBMIT A REPORT THAT IS FOUND NOT TO BE SATISFACTORY BY THE DEPUTY  
5 DIRECTOR, THE DEPUTY DIRECTOR SHALL NOTIFY THE SPECIAL PURPOSE DEPOSITORY  
6 INSTITUTION IN WRITING THAT ITS VOLUNTARY DISSOLUTION IS DENIED, AND THE  
7 INSTITUTION MAY APPEAL THE DECISION TO THE DIRECTOR.

8 6-1818. Failure to submit required report; fees; rules

9 IF A SPECIAL PURPOSE DEPOSITORY INSTITUTION FAILS TO SUBMIT ANY  
10 REPORT REQUIRED BY THIS CHAPTER OR RULE WITHIN THE PRESCRIBED PERIOD, THE  
11 DEPUTY DIRECTOR MAY IMPOSE AND COLLECT A FEE FOR EACH DAY THE REPORT IS  
12 OVERDUE, AS ESTABLISHED BY RULE.

13 6-1819. Wilful failure to perform duties imposed by law; removal

14 EACH OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF A SPECIAL PURPOSE  
15 DEPOSITORY INSTITUTION, FOLLOWING WRITTEN NOTICE FROM THE DEPUTY DIRECTOR,  
16 IS SUBJECT TO REMOVAL ON ORDER OF THE DEPUTY DIRECTOR IF THE OFFICER,  
17 DIRECTOR, EMPLOYEE OR AGENT KNOWINGLY OR WILFULLY FAILS TO DO EITHER OF  
18 THE FOLLOWING:

19 1. PERFORM ANY DUTY REQUIRED BY THIS CHAPTER OR OTHER APPLICABLE  
20 LAW.

21 2. CONFORM TO ANY RULE OR ORDER OF THE DEPUTY DIRECTOR.

22 6-1820. Rules

23 THE DEPUTY DIRECTOR SHALL ADOPT RULES NECESSARY TO IMPLEMENT THIS  
24 CHAPTER.

25 6-1821. Use of terms or names

26 A. A PERSON OR ENTITY MAY NOT ADVERTISE, ISSUE OR CIRCULATE ANY  
27 PAPER OR EXHIBIT ANY SIGN USING "BANK", "BANKER", "BANKING", "SPECIAL  
28 PURPOSE DEPOSITORY INSTITUTION", OR WORDS OF SIMILAR IMPORT OR USE THE  
29 NAME OF ANY OTHER FINANCIAL INSTITUTION UNTIL THE PERSON OR ENTITY HAS  
30 FULLY COMPLIED WITH THIS ACT.

31 B. CONSISTENT WITH SUBSECTION A OF THIS SECTION, A SPECIAL PURPOSE  
32 DEPOSITORY INSTITUTION MAY REFER TO ITSELF AS A BANK.

33 6-1822. Federal deposit insurance

34 THIS CHAPTER DOES NOT PROHIBIT A SPECIAL PURPOSE DEPOSITORY  
35 INSTITUTION FROM OBTAINING FEDERAL DEPOSIT INSURANCE CORPORATION  
36 INSURANCE, IF AVAILABLE.

37 Sec. 2. Requirements for enactment; two-thirds vote

38 Pursuant to article IX, section 22, Constitution of Arizona, this  
39 act is effective only on the affirmative vote of at least two-thirds of  
40 the members of each house of the legislature and is effective immediately  
41 on the signature of the governor or, if the governor vetoes this act, on  
42 the subsequent affirmative vote of at least three-fourths of the members  
43 of each house of the legislature.