SOUTH CAROLINA BOARD OF FINANCIAL INSTITUTIONS

APPLICATION FOR AUTHORITY TO ESTABLISH A TRUST COMPANY

Proposed Name of Trust Company			
Address of Proposed Trust Company			
City	**County**	**State**	**Zip Code**
Contact Person, Title		**Phone Number**	
Address			
City	**State**		**Zip Code**

I. OVERVIEW

1. TRUST COMPANY ORGANIZATION:

☐ Organized as Corporation ☐ Organized as LLC

2. THIS APPLICATION IS FOR WRITTEN CONSENT TO EXERCISE:

☐ Full Trust Powers ☐ Limited Trust Powers

NOTE: If Full Trust Powers is checked, all powers listed in question 3 will be exercised.

3. IF LIMITED TRUST POWERS IS CHECKED IN QUESTION 2, COMPLETE THE FOLLOWING. TRUST POWERS TO BE EXERCISED WILL BE LIMITED TO THOSE CHECKED BELOW:

PERSONAL TRUST POWERS (Check all applicable)

☐ Executor and Administrator ☐ Guardian ☐ Investment Advisor Agent
☐ Trustee ☐ Agent ☐ Custodian
☐ Conservator ☐ Investment Management Agent ☐ Other (Specify):

EMPLOYEE BENEFIT TRUST POWERS (Check all applicable)

☐ Trustee ☐ Investment Advisor Agent ☐ Investment Management Agent
☐ Custodian ☐ Agent ☐ Other (Specify):

CORPORATE TRUST POWERS (Check all applicable)

☐ Trustee ☐ Transfer Agent ☐ Register of Stocks and Bonds
☐ Agent ☐ Paying Agent ☐ Other (Specify):
☐ Escrow Agent

II. PROPOSED MARKET

A. Describe the market area the proposed company intends to serve. Include detail of the specific demographic profile the proposed trust company plans to target and the competitive mix and environment for trust services in the market.

B. Describe the economic characteristics of the proposed market area.

C. List all banks and trust companies currently offering trust services within the primary trade area of the proposed trust company.

III. SERVICES TO BE PROVIDED

Attach a schedule of the types of products and services to be offered by the proposed trust company, including a schedule of fees for each product or service. Include information on any special market niche or any nontraditional activities.

IV. RECORDKEEPING, ACCOUNTING, AND AUDITING

A. Describe the methods the proposed trust company will use for recordkeeping of fiduciary accounts and whether processing will be done on-premises by the Applicant or by a vendor under contractual agreement.

B. What provisions have been made or are planned for internal and external auditing of the proposed trust company?

V. TRUST COUNSEL

Has an attorney or legal firm been retained or agreed to serve as counsel to advise the trust company regarding fiduciary activities? If yes, provide: (a) name and contact information of the attorney and/or firm, (b) information regarding the attorney/firm's experience in probating estates and administering other fiduciary business, (c) any present professional services performed for the Applicant, and (d) any present fiduciary services performed for competing trust institutions. If no, provide plans regarding legal counsel for the proposed trust company.

VI. SERVICE PROVIDERS

A. If the proposed trust company plans to outsource certain activities and functions to a third party, please provide the following for each third-party service provider:
    i. Name of the organization.

ii. The organization's relationship (if any) to the Applicant and its directors and/or officers.
iii. The type of services to be provided.
iv. The basis for selecting the organization.
v. Whether service(s) will be governed by a written agreement. (If yes, please provide a copy of the proposed contract.)
vi. The projected annual cost of such service(s).

B. Describe the due diligence conducted and the planned oversight and management program of the vendors' or service providers' relationships.

VII. INFORMATION SYSTEMS

A. Outline the proposed information systems architecture.

B. Does the proposed trust company plan to market its products and services (the ability to perform transactions or account maintenance) via electronic means? If yes, state the specific products and services that will be offered electronically.

C. Estimate the start-up costs for the information systems and the expected annual operating and maintenance costs (including telecommunications, hardware, software, and personnel).

D. What provisions are planned for continued operations and/or recovery in the event of a disaster affecting the computer accounting and processing system(s)?

VIII. PREMISES AND FIXED ASSETS

Complete the ***Premises to be Occupied by Proposed Trust Company*** form for each premises the proposed trust company plans to conduct business from and attach. **(Form VIII – A)**

IX. INSURANCE

A. Attach a summary of the proposed trust company's fidelity bond and Director's and Officer's insurance covering the company, directors, and employees.

Note: *The undersigned must agree that the proposed trust company will, at all times, maintain financial institution blanket bond insurance and fiduciary errors and omissions insurance coverage in amounts that will satisfy the requirements of the Commissioner of Banking.*

B. Attach a summary of all other insurance policies held by the proposed trust company, including insurance against burglary, robbery, theft, liability, fire, cybersecurity incidents, and similar insurable hazards to which the proposed trust company may be exposed.

X. CAPITALIZATION

A. Provide a description and reconciliation of capital with which the proposed trust company will commence business. Include a specific breakdown and description of any classes of voting securities.

B. Attach a copy of the proposed Charter or Articles of Incorporation.

C. Attach a copy of the offering circular or offering letter if capital is to be raised by public offering or private placement offering, whether at the trust company level or by an entity that will control the trust company.

D. Attach a copy of the escrow agreement for the escrow account in which subscription funds shall be placed.

E. Complete the ***Organizational Expenses*** schedule and attach. **(Attachment X-E)**

F. Attach a comprehensive Capital Plan utilizing a three-year outlook. The Plan should, at minimum, identify capital levels that correlate to account types, anticipated account growth and funding type and sources.

G. Provide a listing of the name and address of each known investor and the number of shares or membership units purchased by each, noting any individual other than proposed officers and/or directors owning or subscribing to 5 percent or more of the proposed capital. Also, for directors, senior executive officers, and other insiders, include the amount of direct and indirect borrowings to finance the investment and describe how any debt will be serviced.

XI. PERFORMANCE PROJECTIONS

A. Attach the completed ***Pro Forma Statement of Condition*** for the proposed trust company's first three years of operations. **(Attachment XI-A)**

B. Attach the completed ***Pro Forma Summary of Trust Activity*** schedule of the estimate of trust business by type including the number of accounts and anticipated dollar market value for the proposed trust company's first three years of operation. **(Attachment XI-B)**

C. Attach the completed ***Pro Forma Fiduciary and Related Services Income/Expenses*** schedule for the proposed trust company's first three years of operations. **(Attachment XI-C)**

Note: *Applicant should refer to the South Carolina Trust Company Call Report Instructions for guidance on completing Performance Projections*

XII. BUSINESS PLAN

Attach a copy of the proposed trust company's three-year business plan.

XIII. DIRECTORS AND OFFICERS

A. Provide a listing of all directors, specifically designating the Chairman, Vice Chairman, and Chief Executive Officer; committee assignments, if known; and number of shares subscribed to by each.

B. Describe plans for compensation of directors, if any, including, but not limited to, fees for attending meetings, retainers, salary, deferred compensation, stock option plans, insurance benefits, etc.

C. Attach a listing of designated committees and their functions.

D. Attach a copy of the proposed organizational chart.

E. Attach a copy of the proposed corporate by-laws or operating agreement.

F. Provide a listing of all officers, including name, title, brief description of duties, qualifications, certifications and licenses, proposed salary, and number of shares to be subscribed to by each.

G. Describe plans for non-salary compensation, if any, for non-director officers, including, but not limited to, deferred compensation, profit-sharing, stock option plans, bonuses, insurance benefits, etc.

H. Attach drafts of any employment contracts to be entered into with any director or management official.

I. Complete the ***Biographical and Financial Report*** for each director and officer listed in sections A and F above as well as any individual other than proposed officers and/or directors owning or subscribing to 5 percent or more of the proposed capital. **(Attachment XIII-I)**

J. Are any changes contemplated in the proposed directorate or active management of the proposed trust company during the first year? If yes, describe.

__Note__: Prompt written notification must be given to the State Board of Financial Institutions if changes in the directorate, active management, or in the ownership of 5 percent or more of the stock are made prior to opening. The notification should include both the original cost and subsequent sales price of any such stock which changes ownership.

K. Are the organizers and proposed directors acting as representatives of or on behalf of any other person, partnership, association, or corporation? If so, explain.

The undersigned organizers and proposed directors hereby certify, jointly and severally, that the statements contained herein are true to their best knowledge and belief, that they are made for the purpose of inducing the State Board of Financial Institutions to grant them a trust company charter, and that if granted, they will adopt the Statement of Principles of Trust Company Management and operate the trust company in compliance with all applicable laws and regulations.

NAME	**SIGNATURE**	**DATE**