



STATE OF KANSAS OFFICE OF THE STATE BANK COMMISSIONER

APPLICATION FOR CONSENT TO EXERCISE TRUST POWERS Pursuant to K.S.A. 9-1601 et seq.

(Name of Bank)

(Current Street Address and Mailing Address of Main Office)

(City, County, State, Zip Code)

(Name and Telephone Number of Person to Contact Regarding Application)

An original application should be submitted to:

Office of the State Bank Commissioner
700 SW Jackson Street, Suite 300
Topeka, Kansas 66603-3796

The application is available to members of the public, subject to limitations imposed by federal or state statutes.

If the applicant is of the opinion that disclosure of commercial or financial information would likely result in substantial harm to the competitive position of the bank, or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy, confidential treatment of such information may be requested.

Information for which confidential treatment is requested should be (1) specifically identified in the public portion of the application (by reference to the confidential section), (2) separately bound, and (3) labeled "Confidential."

Please complete the following. The State Bank Commissioner may request more information, if deemed necessary.

1. This application is for written consent to exercise: (*Check one*)

Full Trust Powers Limited Trust Powers

NOTE: If requesting full powers, all powers listed in item 2 will be exercised. If requesting limited powers, written consent will be granted to exercise only the powers identified in item 2.

2. For limited trust powers, complete the following; trust powers to be exercised will be limited to those checked below:

PERSONAL TRUST POWERS (*Check all applicable*)

<input type="checkbox"/> Executor and Administrator	<input type="checkbox"/> Guardian
<input type="checkbox"/> Trustee	<input type="checkbox"/> Agent
<input type="checkbox"/> Conservator	<input type="checkbox"/> Investment Management Agent
<input type="checkbox"/> Investment Advisor Agent	<input type="checkbox"/> Custodian
<input type="checkbox"/> Other (<i>specify</i>)	

EMPLOYEE BENEFIT TRUST POWERS (*Check all applicable*)

<input type="checkbox"/> Trustee	<input type="checkbox"/> Investment Advisor Agent
<input type="checkbox"/> Custodian	<input type="checkbox"/> Investment Management Agent
<input type="checkbox"/> Agent	<input type="checkbox"/> Other (<i>Specify</i>)

CORPORATE TRUST POWERS (*Check all applicable*)

<input type="checkbox"/> Trustee	<input type="checkbox"/> Transfer Agent
<input type="checkbox"/> Agent	<input type="checkbox"/> Paying Agent
<input type="checkbox"/> Escrow Agent	<input type="checkbox"/> Registrar of Stocks and Bonds
<input type="checkbox"/> Other (<i>specify</i>)	

3. Identify the individual designated to be the primary trust officer and describe other staffing plans. For each trust officer, the following information should be provided: name; proposed annual salary; anticipated percentage of time to be devoted to fiduciary activities; present occupation and employer (*include position, duties, and year employed*); general education (*college and post graduate, name and location of school, degrees, year graduated*); specialized fiduciary and investment training (*name and location of school, type of program, year completed*); employment history (*include employer, position, dates employed, and description of duties, particularly those of a fiduciary or investment nature*); professional licenses or similar certificates (*attorney, CPA, teaching certificate, etc.*).
4. List proposed members of the trust committee and give trust related experience/knowledge (if any) of each.
5. Identify the attorney or legal firm which has been retained, or agreed to serve as trust counsel, for the bank. Provide comments addressing the following: experience in probating estates and administering other fiduciary business; present professional services performed for the bank; and any present fiduciary services performed for competing trust institutions.
6. Explain how the proposed activity will be useful and describe the chances for success, including the impact the activity will have on the overall condition of the bank. Provide a projection of trust accounts and assets, and profitability for the first three calendar years after the trust department

begins operations. For trust accounts and assets, provide year-end projections showing the number of accounts expected to be generated. Accounts should be separated by general type of trust activity. Include the dollar volume of trust assets expected to be under the trust department's administration for each general type of trust activity. For trust profitability, include gross trust account fees, other income and a breakdown of direct and allocated expenses.

7. Will the bank use another organization to manage the administration of trust accounts and/or manage trust investments? If yes, please provide the following: the name and address of each organization; the organization's relationship (if any) to the bank and any directors and/or officers; the type of service(s) to be provided; the basis for selecting each organization; whether such service(s) will be governed by a written agreement; the projected annual cost of such service(s); and how the outside organization's performance and compliance with the scope and terms of fiduciary responsibilities and any written agreements will be monitored.

Please note: This question does not cover EDP servicing or custody of trust assets by correspondent banks.

8. If any major changes are anticipated in fixed assets or furniture, fixture and equipment as a result of the proposal, provide full details.
9. Provide a certified copy of the resolution of the bank's board of directors adopting the Statement of Principles of Trust Department Management; see attached.
10. Provide a transcript of the minutes of the stockholders meeting which shows that at least two-thirds of the stockholders voted to approve the bank offering trust services.
11. Provide a copy of the page(s) from the bank's Articles of Incorporation showing that the bank is authorized to provide trust services. If an amendment is needed, provide comments concerning plans to make the necessary amendment.
12. Provide a copy of the application made to the bank's primary Federal regulator, if applicable.
13. Provide any additional information or comments, not requested in the above items, if it is deemed pertinent to support the application.

Questions concerning this application may be addressed to:
Dana S. Hampton, Director of Corporate Activities
Office of the State Bank Commissioner
700 SW Jackson Street, Suite 300
Topeka, Kansas 66603-3796
(785) 296-2266 FAX (785) 296-0168

In support of this application, applicant has hereby made the aforementioned statements and representations, and submits this information, based upon the factors as outlined for the purpose of inducing the State Bank Commissioner of the State of Kansas to approve the application for the previously listed Kansas bank.

Applicant hereby authorizes the State Bank Commissioner of the State of Kansas to conduct any investigation, examination or review of the condition of the applicant bank and to provide any other material as requested by the State Bank Commissioner.

ATTESTATION

Applicant affirms that the information contained in this application has been prepared at the direction of the Board of Directors and that it is accurate and complete to the Applicant's best knowledge and belief.

(Applicant)

By: _____
(Authorized Officer)

Title:

(SEAL)

ATTEST:

(Corporate Secretary)

STATEMENT OF PRINCIPLES OF TRUST DEPARTMENT MANAGEMENT

The minimum requirements to provide for sound banking practices in the operation of a trust department and to provide safeguards for the protection of depositors, fiduciary beneficiaries, creditors, stockholders, and the public, should include:

Involvement by the board of directors in providing for the establishment and continuing operation of a trust department;

Operation of the trust department separate and apart from every other department of the bank, with trust assets separated from other assets owned by the bank, and the assets of each trust account separated from the assets of every other trust account; and

Maintenance of separate books and records for the trust department in sufficient detail to properly reflect all trust department activities.

Nothing herein is intended to prohibit the board of directors from acting as the trust committee, or from appointing additional committees and officers to administer the operations of the trust department. When delegating duties to subcommittees and/or officers, the board and the trust committee continue to be responsible for the oversight of all trust activities. Sufficient reporting and monitoring procedures should be established to fulfill this responsibility.

The board of directors, by proper resolution included in its minutes, should:

1. Designate an officer, qualified and competent, to be responsible for and administer the activities of the trust department. In addition, the board should define the officer's duties.
 2. Name a trust committee consisting of at least three directors to be responsible for and supervise the activities of the trust department. The committee should include, where possible, one or more directors who are not active officers of the bank. The trust committee should:
 - (a) Meet at least quarterly, and more frequently if considered necessary and prudent to fulfill its supervisory responsibilities;
 - (b) Approve and document the opening of all new trust department accounts; all purchases and sales of, and changes in, trust assets; and the closing of trust accounts;
 - (c) Provide for a comprehensive review of all new accounts for which the bank has investment responsibility promptly following acceptance;
 - (d) Provide for a review of each trust department account, including collective investment funds, at least once during each calendar year. The scope, frequency, and level of review (trust committee, subcommittee, or disinterested account officer) should be addressed in appropriate written policies which give consideration to the department's fiduciary responsibilities, type and size of account, and other relevant factors.
- Generally, discretionary account reviews should cover both administration of the account and suitability of the account's investments, and nondiscretionary account reviews should address account administration;
- (e) Keep comprehensive minutes of meetings held and actions taken; and
 - (f) Make periodic reports to the board of its actions.

3. Provide comprehensive written policies which address all important areas of trust department activities.
4. Provide competent legal counsel to advise trust officers and the trust committee on legal matters pertaining to fiduciary activities.
5. Provide for adequate internal controls including appropriate controls over trust assets.
6. Provide for an adequate audit (by internal or external auditors or a combination thereof) of all fiduciary activities, annually. The findings of the audit, including actions taken as a result of the audit, should be recorded in its minutes.

If a bank adopts a continuous audit process instead of performing annual audits, audits may be performed, on an activity-by-activity basis, at intervals commensurate with the level of risk associated with that activity. Audit intervals must be supported and reassessed regularly to ensure appropriateness given the current risk and volume of the activity.

7. Receive reports from the trust committee and record actions taken in its minutes.
8. Review the examination reports of the trust department by supervisory agencies and record actions taken in its minutes.