

**RCW 30B.08.020 Limited liability trust company—Organization or conversion—Approval of director—Conditions—Application of chapter 25.15 RCW.**

(1) If the conditions of this section are met, an applicant to become a state trust company may organize as a limited liability trust company pursuant to this chapter. An applicant to become a state trust company, which is already organized as a limited liability company pursuant to chapter 25.15 RCW, may reorganize as and convert to a limited liability trust company under this title and be granted a certificate of authority pursuant to this chapter to operate as a state trust company if all conditions of this title are met.

(2) (a) Before a state trust company organized as a corporation may reorganize and convert to a limited liability trust company, the state trust company must obtain approval of the director.

(b) (i) To obtain approval under this subsection from the director, the state trust company must file a request for approval with the director at least sixty days before the day on which the state trust company becomes a limited liability trust company.

(ii) If the director does not disapprove the request for approval within sixty days from the day on which the director receives the request, the request is considered approved.

(iii) When taking action on a request for approval filed pursuant to this subsection, the director may:

(A) Approve the request;

(B) Approve the request subject to terms and conditions the director considers necessary; or

(C) Disapprove the request.

(3) To approve a request, the director must find that:

(a) The state trust company will operate in a safe and sound manner under a limited liability trust company structure; and

(b) The state trust company as a limited liability trust company has the characteristics set forth in subsections (4) and (5) of this section.

(4) Notwithstanding any provision to the contrary contained in chapter 25.15 RCW, a state trust company organized as or reorganized and converted to a limited liability trust company must be perpetual.

(5) (a) All rights, privileges, powers, duties, and obligations of a state trust company, which is organized as a limited liability trust company, and its members and managers shall be consistent with chapter 25.15 RCW, except the following:

(i) Permitting automatic dissolution or suspension of a limited liability company as set forth in RCW 25.15.265(1), pursuant to a statement of limited duration in a certificate of formation;

(ii) Permitting automatic dissolution or suspension of a limited liability company, pursuant to the limited liability company agreement, as set forth in RCW 25.15.265(2);

(iii) Permitting dissolution of the limited liability company agreement based upon agreement of all the members, as set forth in RCW 25.15.265(3);

(iv) Permitting dissociation of all the members of the limited liability company, as set forth in RCW 25.15.265(4); and

(v) Permitting automatic dissolution or suspension of a limited liability company, pursuant to operation of law, as otherwise set forth in chapter 25.15 RCW.

(b) Notwithstanding (a) of this subsection:

(i) For purposes of transferring a member's interests in the state trust company, a member's interest is treated like a share of stock in a corporation; and

(ii) If a member's interest is transferred voluntarily or involuntarily to another person, the person who receives the member's interest obtains the member's entire rights associated with the member's interest, including all economic rights and all voting rights.

(6) (a) Notwithstanding any provision of chapter 25.15 RCW or this section to the contrary, all voting members remain liable and responsible as fiduciaries of the limited liability trust company, regardless of resignation, dissociation, or disqualification, to the same extent that directors of a state trust company organized as a corporation would be or remain liable or responsible to the department.

(b) If death, incapacity, or disqualification of all members of the limited liability trust company would result in a complete dissociation of all members, then the state trust company is deemed nonetheless to remain in existence for purposes of the department having standing under chapter 30B.44B RCW to exercise the powers and authorities of a liquidating agent for the state trust company. [2019 c 389 § 6; 2014 c 37 § 323.]