

RCW 30B.10.045 Examinations—Requirements—Reciprocal agreements permitted—Records, books, and accounts. (1) The director shall visit each state trust company at least once every twenty-four months, and more often as determined by the director, for the purpose of making a full investigation into the condition of such state trust company.

(2) The director may make such other full or partial examinations as deemed necessary and may visit and examine any affiliate of a state trust company, obtain reports of condition for any such affiliate, and shall have full access to all the books, records, papers, securities, correspondence, bank accounts, and other papers of such business for such purposes.

(3) Before the director may issue notice of its intent to visit and directly examine a third-party service provider without a subpoena pursuant to RCW 30B.10.120, the director must find:

(a) That the third-party service provider either:

(i) Performs services for the state trust company that appear to be necessary for the state trust company to meet its fiduciary duty, operate in a safe and sound manner, or otherwise comply with this title and other applicable law; or

(ii) Appears that the state trust company cannot extricate itself from its client-vendor relationship without adverse material consequences or prolonged delay, including inability to timely find a replacement vendor as third-party service provider;

(b) That either:

(i) The information sought by the director cannot be otherwise accessed or verified by the records of the state trust company without direct examination of the records of the third-party service provider that relate to the state trust company; or

(ii) The third-party service provider manages an application, process, or system for the benefit of the state trust company, the integrity of which cannot be evaluated without direct examination; and

(c) That it appears prior to direct examination of the third-party service provider that an act or omission of the third-party service provider sought to be examined has resulted in a significant heightened risk of the state trust company not meeting its fiduciary duty, committing an unsafe practice or operating in an unsafe or unsound manner, or otherwise violating a provision of this title or other applicable law.

(4) Subject to notice to a state trust company and its third-party service provider accompanied by a written finding by the director that the conditions of subsection (3) of this section have been met, the director may visit and directly examine a third-party service provider of a state trust company in order to determine whether the state trust company, on account of an act or omission of the third-party service provider, is in compliance with this title and other applicable law including, without limitation, the provisions of chapter 30B.24 RCW. If prerequisites for direct examination of such third-party service provider conform to this subsection, then a subpoena pursuant to RCW 30B.10.120 shall not be required prior to a visitation and examination of such third-party service provider.

(5) Any willful false swearing in any examination is perjury in the second degree.

(6) The director may enter into cooperative and reciprocal agreements with the trust institution regulatory authorities of the United States and other states and United States territories, for the periodic examination of state trust institutions and their affiliates.

The director may accept reports of examination and other records from such authorities in lieu of conducting his or her own examinations. The director may enter into joint actions with other regulatory bodies having concurrent jurisdiction or may enter into such actions independently to carry out his or her responsibilities under this title and assure compliance with the laws of Washington state.

(7) Copies from the records, books, and accounts of a state trust institution or its affiliate shall be competent evidence in all cases, equal with originals thereof, if there is attached to such copies a declaration under penalty of perjury stating that the declarant is the officer of the state trust institution or its affiliate having charge of the original records, and that the copy is true and correct and is full so far as the same relates to the subject matter therein mentioned. [2019 c 389 s 15.]