

Chapter 30B.10 RCW
DIRECTOR'S AUTHORITY—SUPERVISION AND EXAMINATION—ENFORCEMENT

Sections

30B.10.003	Definitions.
30B.10.005	Director supervision over authorized trust institutions.
30B.10.010	Fee for examination.
30B.10.020	Director to act under authority of the department's division of banks.
30B.10.030	Generally accepted accounting principles.
30B.10.040	Examination standards for state trust companies—Rule making—Special conditions.
30B.10.045	Examinations—Requirements—Reciprocal agreements permitted—Records, books, and accounts.
30B.10.050	Duties of persons subject to authority of director—Violations.
30B.10.060	Governing administrative law and procedure.
30B.10.070	Administrative orders—Penalties for violation.
30B.10.080	Suspension and removal of directors, officers, and employees.
30B.10.090	Subpoena power and examination under oath.
30B.10.100	Effect of final orders against officers, directors, employees, and agents.
30B.10.110	Director's authority to protect the public and state trust institutions.
30B.10.120	Director's subpoenas.
30B.10.130	Scope of chapter—Remedies.
30B.10.140	Hearing—Who may conduct—Authority.
30B.10.150	Notice of charges.
30B.10.160	Hearing—Schedule—Default.
30B.10.170	Hearing—Order—Review or appeal.
30B.10.180	Emergency order—Judicial review.
30B.10.190	Order of prohibition against third-party service providers—Grounds—Notice.
30B.10.200	Notice of intention to remove or prohibit participation in conduct of affairs—Hearing—Order.
30B.10.210	Authority of director to seek removal by the board of a state trust company.
30B.10.220	Jurisdiction of courts as to the department's enforcement orders—Venue.
30B.10.230	General penalty—Effect of conviction.
30B.10.240	Statute of limitations.

RCW 30B.10.003 Definitions. As used in this chapter, unless the context clearly appears otherwise, the terms in this section mean:

- (1) "Affiliate" means the same as defined in RCW 30B.04.005.
- (2) "Agent" means the same as defined in RCW 30B.04.005.
- (3) "Cause of action" means any of the acts or omissions giving rise to a violation under this chapter for which the department can pursue administrative remedies.
- (4) "Presiding officer" means a person who qualifies as a presiding officer under RCW 34.05.425 and has been authorized to act as presiding officer in an administrative proceeding under this chapter.

(5) "Respondent" means a person against whom the director has issued a notice and statement of charges pursuant to this chapter.

(6) "Third-party service provider" means the same as in RCW 30B.04.005. [2019 c 389 s 13.]

RCW 30B.10.005 Director supervision over authorized trust institutions.

(1) The director shall exercise supervision authority over state trust companies and also over out-of-state trust institutions as set forth in this chapter or to the extent provided for in cooperative agreements made by the director with the home states of out-of-state trust institutions pursuant to RCW 30B.38.060.

(2) The director shall execute and enforce through the department and such other agents as exist on or after January 5, 2015, all laws which exist on or after January 5, 2015, relating to state trust companies and out-of-state trust institutions engaged in trust business in Washington state.

(3) For the more complete and thorough enforcement of the provisions of this title, the department is authorized to adopt rules not inconsistent with the provisions of this title, as may, in its opinion, be necessary to carry out the provisions of this title and as may be further necessary to insure safe and sound management of trust institutions under its supervision taking into consideration the appropriate interest of the creditors, stockholders, participants, and the public in their relations with such trust institutions.

(4) A state trust company shall conduct its business in a manner consistent with all laws relating to trust companies, and all rules, regulations, and instructions that may be adopted or issued by the department. [2019 c 389 s 14; 2014 c 37 s 333.]

RCW 30B.10.010 Fee for examination. Examination and investigation fees, together with semiannual assessments of state trust companies and all other miscellaneous fees for trust institutions, are governed by RCW 30A.04.070 of the Washington commercial bank act and by rules adopted by the director. [2014 c 37 s 334.]

RCW 30B.10.020 Director to act under authority of the department's division of banks. All the powers, duties, and functions granted to or imposed upon the director under this title shall be exercised under the direction and supervision of the department's division of banks, subject to the delegation, oversight, and supervision of the director. Wherever provision is made in any law in effect on January 5, 2015, authorizing and permitting the director to adopt rules and regulations with respect to any actions or things required to be done under this title, such rules and regulations shall be made by the department's division of banks, and the words "the director" used in such statutes authorizing the director to make rules and regulations, shall be construed to mean the department's division of banks, and the words "department" substituted in such statutes for "director." [2014 c 37 s 335.]

RCW 30B.10.030 Generally accepted accounting principles. Unless otherwise provided for by rule of the director or other applicable

rule or regulation, a state trust company shall conform to generally accepted accounting principles and applicable rules of the financial accounting standards board. [2014 c 37 s 336.]

RCW 30B.10.040 Examination standards for state trust companies—Rule making—Special conditions. (1) The director is authorized to adopt rules governing the examination standards for a state trust company, trust department, third-party service provider, and other persons subject to investigation and examination under this title, including the application by rule of examination standards of other federal and state financial institutions regulators and standards adopted from cooperative agreements made by the director under RCW 30B.38.060.

(2) Subject to subsection (3) of this section, such rules shall not be inconsistent with the uniform interagency trust rating system, or its equivalent, of the federal financial institutions examination council or its successor agency; and subject to subsection (3) of this section, the director shall apply the standards of the uniform interagency trust rating system, or its equivalent, in its examination and rating of state trust companies and other persons subject to investigation and examination under this title to the extent that the department has not adopted applicable rules.

(3) Notwithstanding subsection (2) of this section, the director may, in lieu of or in addition to applicable rules, prescribe special conditions for a new state trust company or an out-of-state trust company doing business in Washington state, to the extent that such special conditions contain standards of examination and rating for the state trust company or out-of-state trust company that the director deems necessary to address circumstances including, without limitation, an emerging business model, which do not appear to the director to be contemplated or adequately addressed by the uniform interagency trust rating system, or its equivalent, of the federal financial institutions examination council or its successor agency. [2019 c 389 s 16; 2014 c 37 s 337.]

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.]

RCW 30B.10.050 Duties of persons subject to authority of director—Violations. (1) Each person subject to the requirement of a certificate of authority or approval from the director pursuant to RCW

30B.04.050, and any director, officer, manager, employee, or agent of such person, shall not engage in any unauthorized trust activity and shall comply with:

(a) This title and Title 11 RCW;

(b) The rules adopted by the director pertaining to this title and compliance with Title 11 RCW;

(c) Any condition in the department's certificate of authority of a state trust company or in the department's approval of an out-of-state trust company doing business in Washington state including, without limitation, any condition of certificate of authority or approval made pursuant to RCW 30B.10.040(3);

(d) Any lawful order of the director;

(e) Any lawful supervisory agreement with the director or supervisory directive of the director; and

(f) All applicable federal laws and regulations affecting trust institutions subject to the authority of the director.

(2) Each affiliate of a person subject to the authority of the director under this title, and any director, officer, manager, employee, or agent of such affiliate, shall not engage in any unauthorized trust activity and shall comply with:

(a) The provisions of this title and Title 11 RCW, to the extent that any act or omission of the affiliate, or a director, officer, manager, employee, or agent of such affiliate, affects the safety and soundness and compliance with the law of a person subject to the authority of this title;

(b) The rules adopted by the director with respect to such affiliate;

(c) Any lawful order of the director;

(d) Any lawful supervisory agreement with the director or supervisory directive of the director; and

(e) All applicable federal laws and regulations affecting a trust institution or its affiliate subject to the authority of the director.

(3) The violation of any supervisory agreement, supervisory directive, order, statute, rule, or regulation referenced in this section, in addition to any other penalty provided in this title, shall, at the option of the director, subject the offender to a penalty of up to ten thousand dollars for each offense, payable upon issuance of any order or directive of the director, which may be recovered by the attorney general in a civil action in the name of the department. [2019 c 389 s 17; 2014 c 37 s 338.]

RCW 30B.10.060 Governing administrative law and procedure. The powers and duties of the director and required practices and procedures of the department with respect to all enforcement authority conferred by this title shall be subject to the Washington administrative procedure act, chapter 34.05 RCW, consistent with the administrative procedures applicable to this chapter. [2019 c 389 s 18; 2014 c 37 s 339.]

RCW 30B.10.070 Administrative orders—Penalties for violation. In addition to any other powers conferred by this title, the director shall have the power, consistent with the requirements of this chapter, to order:

(1) Any person, its affiliate, or any director, officer, manager, employee, or agent of such person or its affiliate, subject to the authority of RCW 30B.10.050, to cease and desist engaging in any unauthorized trust activity or violating any provision of this title or any lawful rule;

(2) Any state trust institution, its affiliate, or any director, officer, manager, employee, or agent of the state trust institution or its affiliate to cease and desist from a course of conduct that is unsafe or unsound or which is likely to cause insolvency or dissipation of assets or is likely to jeopardize or otherwise seriously prejudice the interests of the public in their relationship with the state trust institution;

(3) Any person, its affiliate, or any director, officer, manager, employee, or agent of such person or its affiliate, subject to the authority of RCW 30B.10.050, to take affirmative action to avoid or refrain from unauthorized trust activity, an unsafe or unsound practice, or other violation of this title;

(4) The imposition of fines;

(5) Restitution to beneficiaries, trustors, or other aggrieved persons;

(6) Costs and expenses related to investigation and enforcement, including attorney fees; and

(7) Other remedies authorized by law. [2019 c 389 s 19; 2014 c 37 s 340.]

RCW 30B.10.080 Suspension and removal of directors, officers, and employees. (1) In addition to the remedies set forth in RCW 30B.10.070, the director may, as applicable, issue and serve a current or former director, officer, manager, or employee of a state trust company or its affiliate with written notice of intent to remove such person from office or employment, or to prohibit such person from participating in the conduct of the affairs of the state trust company, its affiliate, or any depository institution, trust company, or affiliate of such depository institution or trust company, doing business in Washington state, whenever:

(a) Such person has committed an unsafe or unsound practice or a violation or practice involving a breach of fiduciary duty, personal dishonesty, recklessness, or incompetence; and

(b) (i) The state trust company has suffered or is likely to suffer substantial financial loss or other damage as a result of the person's acts or omissions as set forth in (a) of this subsection; or

(ii) The interests of beneficiaries, trustors, shareholders, or the general public could be seriously prejudiced by reason of the person's acts or omissions as set forth in (a) of this subsection.

(2) The director may also serve upon the same respondent a written notice and order suspending the respondent from further participation in any manner in the conduct of the affairs of the state trust company, its affiliate, or any depository institution, trust company, or affiliate of such depository institution or trust company, doing business in Washington state, pending resolution of the charges made pursuant to subsection (1) of this section, if the director determines that such an action is necessary for the protection of: The state trust company or its affiliate; the interests of beneficiaries, trustors, or shareholders of the state trust company or its affiliate; the interests of any depository institution or its depositors, trust beneficiaries, borrowers, or shareholders; or the general public.

(3) A suspension order issued by the director is effective upon service and, unless the superior court issues a stay of such order, such order shall remain in effect and enforceable until:

(a) The director dismisses the charges contained in the notice served on the person; or

(b) The effective date of a final order for removal of such person. [2019 c 389 s 24; 2014 c 37 s 341.]

RCW 30B.10.090 Subpoena power and examination under oath. The director shall have the power to subpoena witnesses, compel their attendance, require the production of evidence, administer oaths, and examine any person under oath in connection with any subject related to a duty imposed or a power vested in the director. [2014 c 37 s 342.]

RCW 30B.10.100 Effect of final orders against officers, directors, employees, and agents. A present or former director, officer, manager, employee, or agent of a state trust institution or affiliate, or any other person against whom there is outstanding an effective final order under authority of this chapter which has been duly served is guilty of a gross misdemeanor punishable under chapter 9A.20 RCW, if such person thereafter:

(1) Participates in any manner in the conduct of the affairs of a state trust institution or affiliate;

(2) Directly or indirectly solicits or procures, transfers or attempts to transfer, or votes or attempts to vote any proxies, consents, or authorizations with respect to any voting rights in the state trust institution or affiliate;

(3) Without the prior approval of the department, votes for a director;

(4) Serves or acts as a director, officer, manager, employee, or agent of any depository institution, trust company, or affiliate of a depository institution or trust company doing business in Washington state. [2019 c 389 s 30; 2014 c 37 s 343.]

RCW 30B.10.110 Director's authority to protect the public and state trust institutions. (1) Notwithstanding any other provision of this title, the director may by rule or order prohibit any person from engaging in a trust business in Washington state contrary to the requirements of this title if the conduct of the trust business in Washington state by such person harms or is likely to harm the general public, or if it adversely affects the business of state trust institutions.

(2) The director may issue an emergency cease and desist order against such person in the manner provided for in RCW 30B.10.180 if the general public or state trust institutions are likely to be substantially injured by delay in issuing a cease and desist order.

(3) An order or rule made by the director pursuant to this section may require that any applicable person obtain a certificate of authority under chapter 30B.08 RCW as a condition of continuing to engage in a trust business in Washington state, subject to meeting all qualifications for grant of a state trust company certificate of authority under this title.

(4) This section does not apply to a person conducting business pursuant to RCW 30B.04.040, except for a person identifiable solely by reason of RCW 30B.04.040(1). [2019 c 389 s 31; 2014 c 37 s 344.]

RCW 30B.10.120 Director's subpoenas. (1) The director or authorized assistants may apply for and obtain a superior court order approving and authorizing a subpoena in advance of its issuance. The application may be made in the county where the subpoenaed person resides or is found, or the county where the subpoenaed documents, records, or evidence are located, or in Thurston county. The application must:

(a) State that an order is sought under this section;

(b) Adequately specify the documents, records, evidence, or testimony; and

(c) Include a declaration made under oath that an investigation is being conducted for a lawfully authorized purpose related to an investigation within the department's authority and that the subpoenaed documents, records, evidence, or testimony are reasonably related to an investigation within the department's authority.

(2) When an application under this section is made to the satisfaction of the court, the court must issue an order approving the subpoena. An order under this subsection constitutes authority of law for the agency to subpoena the documents, records, evidence, or testimony.

(3) The director or authorized assistants may seek approval and a court may issue an order under this section without prior notice to any person, including the person to whom the subpoena is directed and the person who is the subject of an investigation. An application for court approval is subject to the fee and process set forth in RCW 36.18.012(3).

(4) Subsections (1) through (3) of this section are applicable to the director's enforcement authority under this title against persons engaged in unauthorized trust activity and persons, other than a state trust company authorized under this title, whom the director has reason to believe are in violation of this title. This section does not limit the authority of the director to investigate or examine a state trust company authorized under this title without applying for or obtaining a superior court order or issuing a subpoena pursuant to this section. [2014 c 37 s 345.]

RCW 30B.10.130 Scope of chapter—Remedies. (1) This chapter sets forth the authority of the department to supervise and examine state trust institutions and to seek adjudicative enforcement remedies against persons, and their affiliates, officers, directors, managers, employees, and agents, engaged in authorized or nonauthorized and nonexempt trust business in Washington state.

(2) None of the provisions in this chapter shall be deemed to be an exclusive remedy of the department, and the department may, as applicable, exercise other remedies set forth elsewhere in this title and in other Washington law including, without limitation:

(a) The issuance of a supervisory directive, nonadjudicative corrective action order, or nonadjudicative order of conservatorship pursuant to chapter 30B.46 RCW; and

(b) The issuance of nonadjudicative orders for involuntary dissolution and liquidation of a state trust company pursuant to chapter 30B.44B RCW. [2019 c 389 s 12.]

RCW 30B.10.140 Hearing—Who may conduct—Authority. (1) A hearing pursuant to a notice of charges under this chapter must be conducted in accordance with chapter 34.05 RCW, except to the extent otherwise provided in this chapter.

(2) Such hearing may be held at a place designated by the director and, at the option of the director, may be conducted by a delegated presiding officer whom the director appoints without referral to the office of administrative hearings.

(3) The hearing shall be conducted in accordance with this chapter, chapter 34.05 RCW, and chapters 10-08 and 208-08 WAC.

(4) If the department elects to conduct a hearing as permitted by subsection (2) of this section, the director must appoint a presiding officer from outside the division of banks, who may be either an employee from another division, an independent contractor, or an administrative law judge of the office of administrative hearings.

(5) Such hearing shall be private unless the director determines that a public hearing is necessary to protect the public interest upon good cause shown in a motion by the respondent, if any, to make the hearing public.

(6) The director may elect to either retain authority to issue a final order or may delegate such authority to the presiding officer appointed pursuant to subsection (2) of this section. [2019 c 389 s 20.]

RCW 30B.10.150 Notice of charges. (1) The director may issue and serve a notice of charges upon:

(a) A state trust institution;

(b) An affiliate of a state trust institution;

(c) A director, officer, manager, employee, or agent of a state trust institution or its affiliate; or

(d) Any other person subject to the jurisdiction of the department under this title including, without limitation, a person engaged in unauthorized trust activity.

(2) Such notice of charges may be issued to and served upon any person or entity described in subsection (1) of this section whenever such person or entity:

(a) Has engaged in an unsafe or unsound practice;

(b) Has violated any provision of RCW 30B.10.050; or

(c) Is planning, attempting, or currently conducting any act prohibited in (a) or (b) of this subsection.

(3) The notice shall contain a statement of the facts constituting the acts or omissions specified in subsection (2) of this section.

(4) The notice shall set a time and place at which a hearing will be held to determine whether the following remedies should be granted:

(a) An order to cease and desist any of the acts or omissions specified in subsection (2) of this section;

(b) An order compelling affirmative action to redress any of the acts or omissions specified in subsection (2) of this section;

(c) An order imposing fines as authorized by RCW 30B.10.070;

(d) Restitution to beneficiaries, trustors, or other aggrieved persons;

(e) Costs and expenses related to investigation and enforcement, including attorney fees; and

(f) Other remedies authorized by law. [2019 c 389 s 21.]

RCW 30B.10.160 Hearing—Schedule—Default. (1) The hearing shall be held not earlier than ten days or later than thirty days after service of the notice set forth in RCW 30B.10.150, unless a later date is set by the director for good cause as requested by the respondent.

(2) Unless the respondent appears at the hearing set forth in subsection (1) of this section, a default order granting any of the remedies or sanctions set forth in the notice and statement of charges may be issued by the presiding officer, consistent with RCW 34.05.440(2).

(3) A respondent may file with the presiding officer, within seven days of service of the default order, a motion to set aside a default order consistent with RCW 34.05.440(3). If the presiding officer does not issue a ruling within five business days of the motion being filed, then the motion to set aside is denied. [2019 c 389 s 22.]

RCW 30B.10.170 Hearing—Order—Review or appeal. (1) The presiding officer shall have sixty days after the hearing to issue an order, including findings of fact and conclusions of law, consistent with RCW 34.05.461(3).

(2) If the director has not delegated his or her authority to a presiding officer to issue a final order, a party may bring a petition for review of the presiding officer's initial order before the director, consistent with RCW 34.05.464.

(3) If the director has previously delegated his or her authority for the presiding officer to issue a final order, then the order of such presiding officer shall be final and may be appealable to the superior court of Washington, consistent with RCW 34.05.514.

(4) The commencement of proceedings for judicial review shall not operate as a stay of any order issued by the director unless specifically ordered by the court. [2019 c 389 s 23.]

RCW 30B.10.180 Emergency order—Judicial review. (1) When the director finds it necessary for one or more of the purposes set forth in subsection (2) of this section, the director may issue and serve an emergency order upon:

(a) A state trust institution, its affiliate, a director, officer, manager, employee, or agent of such state trust institution or its affiliate, or any person subject to the authority of this title, requiring the respondent to take immediate affirmative action or immediately cease and desist from any act, practice, or omission or failure to act; or

(b) A director, officer, manager, or employee of a state trust company or its affiliate to suspend or remove such person from his or her office or employment with the state trust company or its affiliate pursuant to RCW 30B.10.080.

(2) Such emergency order may be issued to:

- (a) Ensure the safety or soundness of the authorized trust institution;
 - (b) Prevent the state trust institution's insolvency or inability to pay its obligations in the ordinary course of business;
 - (c) Prevent significant or critical undercapitalization or substantial dissipation of assets;
 - (d) Compel timely compliance with a supervisory agreement, supervisory directive, or order of the director;
 - (e) Compel production of or access to its books, papers, records, or affairs as directed by the department or other applicable financial services regulator;
 - (f) Prevent immediate and irreparable harm to the public interest, interests of the trustors or beneficiaries, or condition of the state trust institution; or
 - (g) Prevent fraudulent activity.
- (3) The emergency order must:
- (a) Be served upon each entity or person subject to the order by personal delivery or registered or certified mail, return receipt requested, to the entity or person's last known address;
 - (b) State the specific acts or omissions at issue and require the entity or person to immediately comply with the order; and
 - (c) Contain a notice that a request for hearing may be filed by the respondent within ten days of service with the superior court, as set forth in subsection (5) of this section.
- (4) Unless a respondent against whom the order is directed files a petition for judicial review with the court within ten days after the order is served under this section, the order is nonappealable and any right to a hearing is deemed conclusively waived as to that respondent.
- (5) A petition for judicial review must:
- (a) Be filed with the superior court of the county of the principal place of business of the respondent or, in the case of the respondent not being domiciled in Washington state, the Thurston county superior court;
 - (b) State the specific respondents seeking review of the order; and
 - (c) State the specific grounds and authority to set aside or modify the order.
- (6) Upon receipt of a timely filed petition for review, the court shall set the time and place of a hearing, no later than ten business days after the petition for review is filed, unless otherwise agreed by the parties.
- (7) The department shall bear the burden of proof by a preponderance of evidence.
- (8) Pending judicial review, the emergency order shall continue in full force and effect unless the order is stayed by the department.
- [2019 c 389 s 25.]

RCW 30B.10.190 Order of prohibition against third-party service providers—Grounds—Notice. (1) The director may issue and serve a state trust institution, or its affiliate, with written notice of intent to prohibit it from permitting a third-party service provider of such state trust institution or affiliate from participating in the conduct of the affairs of the state trust institution, whenever:

(a) The third-party service provider commits an unsafe or unsound practice, or a violation or practice involving a breach of fiduciary duty, personal dishonesty, recklessness, or incompetence; and

(b) (i) The state trust institution or its affiliate has suffered or is likely to suffer substantial financial loss or other damage; or

(ii) The interests of the state trust institution, or its affiliate, or their beneficiaries, trustors, shareholders, or the general public in Washington state could be seriously prejudiced by reason of the violation or practice of the third-party service provider.

(2) The director shall also serve any affected third-party service provider with the notice described in subsection (1) of this section, and such third-party service provider shall be deemed a real party in interest with the same right to notice and right to intervene in the administrative action and defend against it as if the third-party service provider were the respondent. [2019 c 389 s 26.]

RCW 30B.10.200 Notice of intention to remove or prohibit participation in conduct of affairs—Hearing—Order. (1) A notice pursuant to RCW 30B.10.080 or 30B.10.190 shall:

(a) Contain a statement of the facts that constitute grounds for removal or prohibition; and

(b) Set a time and place at which a hearing will be held.

(2) The hearing shall be set not earlier than ten days or later than thirty days after the date of service of the notice unless an earlier or later date is set by the director at the request of the board trustee or director, officer, or employee for good cause shown or at the request of the attorney general of the state.

(3) Unless the respondent appears at the hearing personally or by a representative authorized under WAC 208-08-030, the respondent shall be deemed to have consented to the issuance of an order of removal or prohibition or both. In the event of such consent or if upon the record made at the hearing the director finds that any of the grounds specified in the notice have been established, the director may issue such order of removal or prohibition from participation in the conduct of the affairs of the state trust company, out-of-state trust company doing business in Washington state, or affiliate, as the director may consider appropriate.

(4) Any order under this section shall become effective at the expiration of ten days after service upon the respondent, except that an order issued upon consent shall become effective at the time specified in the order.

(5) An order shall remain effective except to the extent it is stayed, modified, terminated, or set aside by the director or a reviewing court. [2019 c 389 s 27.]

RCW 30B.10.210 Authority of director to seek removal by the board of a state trust company. (1) In addition to any other remedy set forth in this chapter, the director may notify, in writing, the board of directors of any state trust company that the director has information that any member of the board of directors, officer, manager, employee, or agent of the state trust company or affiliate of the state trust company is dishonest, reckless, or incompetent, or is

failing to perform any duty required of the state trust company or such affiliate.

(2) The board shall then meet to consider such matter as soon as reasonably feasible, but no later than thirty calendar days of the director's notice.

(3) The director shall have notice of the time and place of such meeting and an opportunity to appear at such meeting and address the board of directors concerning the director's information.

(4) If the board finds the director's information to be well-founded, and the affected member of the board of directors, officer, employee, or agent of the state trust company or such affiliate is working under an employment contract or independent contractor agreement that prohibits termination without cause, the board shall notify such member of the board of directors, officer, employee, or agent of the board's intent to remove him or her from the position, or to otherwise instruct such affiliate to do so, as applicable. Such notice shall be in writing and include:

(a) Notice of the allegations;

(b) Specific facts supporting the allegations; and

(c) A time and place at which such member of the board of directors, officer, employee, or agent will have an opportunity to be heard before a final action is taken by the board.

(5) Pursuant to subsection (4) of this section, the board shall set the time and place of the meeting no sooner than ten business days after such member of the board of directors, officer, employee, or agent receives notice of the board's intent to remove or terminate the contract.

(6) If the board finds the director's information to be well-founded, and the affected member of the board of directors, officer, manager, employee, or agent may be terminated without cause, such director, officer, manager, employee, or agent may be removed by the state trust company or such affiliate, or their contract may be terminated, at the option of the board.

(7) If the board does not remove such director, officer, employee, or agent, or if the board fails to meet, consider, or act upon the director's information within twenty days after receiving the same, then the director may within twenty days after, or earlier in the case of the necessity of an emergency order under RCW 30B.10.070, seek removal of such person by complying with the applicable provisions of this chapter.

(8) This section shall not be deemed to be an exclusive remedy of the department. The department may exercise any other remedies available to it under this chapter. [2019 c 389 s 28.]

RCW 30B.10.220 Jurisdiction of courts as to the department's enforcement orders—Venue. (1) The director may apply to a superior court of Washington for the enforcement of any effective and outstanding final order issued pursuant to this chapter, and the superior court shall have jurisdiction to order compliance with such final order.

(2) No court shall have jurisdiction to affect by injunction or otherwise the department's issuance or enforcement of any order pursuant to this chapter, or to review, modify, suspend, terminate, or set aside such order, except as provided in this chapter.

(3) The venue for enforcement of a final order by the department under this chapter shall be the superior court in the county of the principal place of business of the person upon whom the order is imposed or, in the case of such person not being domiciled in Washington state, the venue shall be Thurston county superior court. [2019 c 389 s 29.]

RCW 30B.10.230 General penalty—Effect of conviction. (1) A person who shall knowingly violate or knowingly aid or abet the violation of any provision of RCW 30B.10.050 shall be guilty of a misdemeanor.

(2) A director, officer, manager, employee, or agent of a state trust institution or affiliate who has had imposed upon him or her a criminal conviction for the violation of this title or any other financial services law of this or any other state or of the United States shall not be permitted to engage in or become or remain a board director, officer, manager, employee, or agent of any state trust company or its affiliate doing business in Washington state. [2019 c 389 s 32.]

RCW 30B.10.240 Statute of limitations. (1) An action seeking any remedy under RCW 30B.10.070, 30B.10.080, or 30B.10.190 shall commence no later than five years after the cause of action accrued.

(2) A cause of action under this section is deemed to have accrued at the later of the following events:

(a) The occurrence of the act or omission;

(b) When the department discovers or should have discovered that the act or omission has occurred;

(c) When the department discovers or should have discovered that the act or omission has negatively impacted the capital status or other element of safety or soundness of a state trust company or out-of-state trust company doing business in Washington state; or

(d) Where an act or omission is part of a pattern or practice, upon the occurrence of the most recent act or omission comprising the pattern or practice. A cause of action under this subsection may include all acts or omissions comprising the pattern or practice if the cause of action is timely as to the most recent act or omission. [2019 c 389 s 33.]