



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3666

Introduced 2/9/2024, by Sen. Laura Ellman

SYNOPSIS AS INTRODUCED:

New Act

5 ILCS 140/7.5	
30 ILCS 105/5.1015 new	
205 ILCS 5/2	from Ch. 17, par. 302
205 ILCS 5/30	from Ch. 17, par. 337
205 ILCS 620/1-5.08	from Ch. 17, par. 1551-5.08
205 ILCS 620/2-1	from Ch. 17, par. 1552-1
205 ILCS 620/Art. IIA heading new	
205 ILCS 620/2A-1 new	
205 ILCS 620/2A-2 new	
205 ILCS 620/2A-3 new	
205 ILCS 620/2A-4 new	
205 ILCS 620/4-1	from Ch. 17, par. 1554-1
205 ILCS 620/4-2	from Ch. 17, par. 1554-2
205 ILCS 620/4-5	from Ch. 17, par. 1554-5
205 ILCS 620/4A-15	
205 ILCS 620/5-1	from Ch. 17, par. 1555-1
815 ILCS 505/2EEEE new	

Creates the Digital Assets Regulation Act. Provides that the Department of Financial and Professional Regulation shall regulate digital asset business activity in the State. Sets forth provisions concerning: applicability; the powers and duties of the Department; funds; customer protections; custody and protection of customer assets; covered exchanges; compliance; registration; supervision; records; additional procedural provisions; confidentiality; violations; enforcement; rulemaking authority; and severability. Creates the Special Purpose Trust Company Article in the Corporate Fiduciary Act. Sets forth provisions concerning certificates of authority; rulemaking and organization; certificates of authority for foreign corporate fiduciaries; eligibility; fees; and certificates of reciprocity. Makes other changes to various Acts. Effective immediately.

LRB103 39006 RTM 69143 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Article 1. General Provisions

5 Section 1-1. Short title. This Act may be cited as the
6 Digital Assets Regulation Act.

7 Section 1-5. Definitions.

8 (a) As used in this Act:

9 "Affiliate" means any person that controls, is controlled
10 by, or is under common control with another person. For
11 purposes of this definition, "control" means the possession,
12 direct or indirect, of the power to direct or cause the
13 direction of the management and policies of a person.

14 "Applicant" means a person that applies for registration
15 under this Act.

16 "Bank" means a bank, savings banks, savings and loan
17 association, savings association, or industrial loan company
18 chartered under the laws of this State or any other state or
19 under the laws of the United States.

20 "Confidential supervisory information" means information
21 or documents obtained by employees, agents, or representatives
22 of the Department in the course of any examination,

1 investigation, audit, visit, registration, certification,
2 review, licensing, or any other regulatory or supervisory
3 activity pursuant to this Act, and any record prepared or
4 obtained by the Department to the extent that the record
5 summarizes or contains information derived from any report,
6 document, or record described in this Act.

7 "Conflict of interest" means an interest that might
8 incline a covered person or an individual who is an associated
9 person of a covered person to make a recommendation that is not
10 disinterested.

11 "Corporate fiduciary" shall mean a corporate fiduciary as
12 defined by Section 1-5.05 of the Corporate Fiduciary Act.

13 "Covered person" means a registrant or person required to
14 register pursuant to this Act.

15 "Covered exchange" means a covered person that exchanges
16 or holds itself out as being able to exchange a digital asset
17 for a resident.

18 "Credit union" means a credit union chartered under the
19 laws of this State or any other state or under the laws of the
20 United States.

21 "Department" means the Department of Financial and
22 Professional Regulation.

23 "Digital asset" means a digital representation of value
24 that is used as a medium of exchange, unit of account, or store
25 of value, and that is not fiat currency, whether or not
26 denominated in fiat currency. "Digital asset" does not include

1 any of the following:

2 (1) A digital representation of value which a merchant
3 grants, as part of an affinity or rewards program, and
4 that cannot be taken from or exchanged with the merchant
5 for fiat currency or a digital asset.

6 (2) A digital representation of value that is issued
7 by or on behalf of a game publisher, used solely within a
8 gaming platform, has no market or application outside of
9 such gaming platform, and cannot be converted into, or
10 redeemed for, fiat currency or digital assets.

11 (3) A digital representation of value that is used as
12 part of prepaid cards.

13 "Digital asset administration" means controlling,
14 administering, or issuing a digital asset.

15 "Digital asset business activity" means any of the
16 following:

17 (1) Exchanging, transferring, or storing a digital
18 asset.

19 (2) Engaging in digital asset administration.

20 (3) Any other business activity involving digital
21 assets designated by rule by the Department as may be
22 necessary and appropriate for the protection of residents.

23 "Digital asset business activity" does not include the
24 development and dissemination of software in and of itself.

25 "Exchange", when used as a verb, means to exchange, buy,
26 sell, trade, or convert, on behalf of a resident, either of the

1 following:

2 (1) A digital asset for fiat currency or one or more
3 forms of digital assets.

4 (2) Fiat currency for one or more forms of digital
5 assets.

6 "Exchange" does not include buying, selling, or trading
7 digital assets for a person's own account in a principal
8 capacity.

9 "Executive officer" includes, without limitation, an
10 individual who is a director, officer, manager, managing
11 member, partner, or trustee, or other functionally equivalent
12 responsible individual, of a person.

13 "Federally insured depository institution" shall mean an
14 insured depository institution as defined by Section 3(c)(2)
15 of the Federal Deposit Insurance Act, 12 U.S.C. 1813(c)(2), as
16 amended, or an insured credit union as defined by Section
17 101(7) of the Federal Credit Union Act, 12 U.S.C. 1752(7), as
18 amended.

19 "Fiat currency" means a medium of exchange or unit of
20 value issued by the United States or a foreign government and
21 that is designated as legal tender in its country of issuance.

22 "Insolvent" means any of the following:

23 (1) Having generally ceased to pay debts in the
24 ordinary course of business other than as a result of a
25 bona fide dispute.

26 (2) Being unable to pay debts as they become due.

1 (3) Being insolvent within the meaning of federal
2 bankruptcy law.

3 "Person" includes, without limitation, any individual,
4 corporation, business trust, estate, trust, partnership,
5 proprietorship, syndicate, limited liability company,
6 association, joint venture, government, governmental
7 subsection, agency or instrumentality, public corporation or
8 joint stock company, or any other organization or legal or
9 commercial entity.

10 "Prepaid card" means an electronic payment device that,
11 subject to any rules adopted by the Department:

12 (1) is usable at a single merchant or an affiliated
13 group of merchants that share the same name, mark, or
14 logo, or is usable at multiple, unaffiliated merchants or
15 service providers;

16 (2) is issued in and for a specified amount of fiat
17 currency;

18 (3) can be reloaded in and for only fiat currency, if
19 at all;

20 (4) is issued or reloaded on a prepaid basis for the
21 future purchase or delivery of goods or services;

22 (5) is honored upon presentation;

23 (6) can be redeemed in and for only fiat currency, if
24 at all;

25 (7) is governed by the Uniform Money Transmission
26 Modernization Act; and

1 (8) complies with any other condition designated by
2 rule by the Department as may be necessary and appropriate
3 for the protection of residents.

4 "Qualified custodian" means a bank, credit union, or trust
5 company, subject to any rules adopted by the Department.

6 "Record" means information that is inscribed on a tangible
7 medium or that is stored in an electronic or other medium and
8 is retrievable in perceivable form.

9 "Registrant" means a person registered under this Act.

10 "Resident" means any of the following:

11 (1) A person who is domiciled in this State.

12 (2) A person who is physically located in this State
13 for more than 183 days of the previous 365 days.

14 (3) A person who has a place of business in this State.

15 (4) A legal representative of a person that is
16 domiciled in this State.

17 "Request for assistance" means all inquiries, complaints,
18 account disputes, and requests for documentation a covered
19 person receives from residents.

20 "Responsible individual" means an individual who has
21 direct control over, or significant management, policy, or
22 decision-making authority with respect to, a person's digital
23 asset business activity in this State.

24 "Secretary" means the Secretary of Financial and
25 Professional Regulation and any authorized representative of
26 the Secretary.

1 "Service provider" means any person that provides a
2 material service to a covered person in connection with the
3 offering or provision by that covered person of a digital
4 asset business activity in this State, including a person that
5 either:

6 (1) Participates in designing, operating, or
7 maintaining the digital asset business activity.

8 (2) Processes transactions relating to the digital
9 asset business activity, other than unknowingly or
10 incidentally transmitting or processing financial data in
11 a manner that the data is undifferentiated from other
12 types of data of the same form as the person transmits or
13 processes.

14 "State" means a state of the United States, the District
15 of Columbia, Puerto Rico, the United States Virgin Islands, or
16 any territory or insular possession subject to the
17 jurisdiction of the United States.

18 "Store," "storage", and "storing", except in the phrase
19 "store of value," means to store, hold, or maintain custody or
20 control of a digital asset on behalf of a resident by a person
21 other than the resident.

22 "Transfer" means to transfer or transmit a digital asset
23 on behalf of a resident, including by doing any of the
24 following:

25 (1) Crediting the digital asset to the account or
26 storage of another person.

1 (2) Moving the digital asset from one account or
2 storage of a resident to another account or storage of the
3 same resident.

4 (3) Relinquishing custody or control of a digital
5 asset to another person.

6 "United States dollar equivalent of digital assets" means
7 the equivalent value of a particular digital asset in United
8 States dollars shown on a covered exchange regulated in the
9 United States for a particular date or period specified in
10 this Act, subject to any rules adopted by the Department.

11 (b) Whenever the terms "include", "including" or terms of
12 similar import appear in this Act, unless the context requires
13 otherwise, such terms shall not be construed to imply the
14 exclusion of any person, class, or thing not specifically
15 included.

16 (c) A reference in this Act to any other law or statute of
17 this State, or of any other jurisdiction, means such law or
18 statute as amended to the effective date of this Act, and
19 unless the context otherwise requires, as amended thereafter.

20 Section 1-10. Applicability.

21 (a) This Act governs the digital asset business activity
22 of a person doing business in this State or, wherever located,
23 who engages in or holds itself out as engaging in the activity
24 with or on behalf of a resident, to the extent not preempted by
25 federal law and except as otherwise provided in subsections

1 (b), (c), (d), or (e).

2 (b)(1) This Act does not apply to the exchange, transfer,
3 or storage of a digital asset or to digital asset
4 administration to the extent that:

5 (A) the Securities Exchange Act of 1934, 15 U.S.C.
6 78a et seq., or the Illinois Securities Law of 1953
7 govern the activity as a security transaction and the
8 activity is actually regulated for the purpose of
9 investor protection by the U.S. Securities and
10 Exchange Commission or the Illinois Secretary of
11 State; or

12 (B) the Commodity Exchange Act, 7 U.S.C. 1 et
13 seq., governs the activity as a contract of sale of a
14 commodity for future delivery or a swap and the
15 activity is actually regulated for the purpose of
16 investor protection by the U.S. Commodity Futures
17 Trading Commission.

18 (2) This subsection shall be construed in a manner
19 consistent with affording the greatest protection to
20 residents and the Department's authority under subsection
21 (a) of Section 101-15 to exercise nonexclusive oversight
22 and enforcement under any federal law applicable to
23 digital asset business activity. This subsection shall not
24 be construed to exempt an activity solely because a
25 financial regulatory agency has anti-fraud and
26 anti-manipulation enforcement authority over the activity.

1 (c) This Act does not apply to the following persons:

2 (1) The United States, a State, political subdivision
3 of a State, agency, or instrumentality of federal, State,
4 or local government, or a foreign government or a
5 subdivision, department, agency, or instrumentality of a
6 foreign government.

7 (2) A federally insured depository institution.

8 (3) A corporate fiduciary acting as a fiduciary or
9 otherwise engaging in fiduciary activities.

10 (4) A merchant using digital assets solely for the
11 purchase or sale of goods or services, excluding the sale
12 of purchase of digital assets, in the ordinary course of
13 its business.

14 (5) A person using digital assets solely for the
15 purchase or sale of goods or services for his or her own
16 personal, family, or household purposes.

17 (6) A credit union with member share accounts insured
18 by an insurer approved by the credit union's primary
19 financial regulatory agency. An out-of-state credit union
20 may not conduct any activity in this State that is not
21 authorized for a credit union chartered under the laws of
22 this State.

23 Nothing in this Act grants persons described in this
24 subsection (c) authority to engage in any activity not
25 otherwise granted under existing law.

26 (d) The Department may by rule or order clarify whether an

1 activity is governed under this Act or another Act that
2 governs money transmissions. This subsection (d) shall not be
3 applied in a manner inconsistent with the protection of
4 residents.

5 (e) Notwithstanding any other provision of this Act, the
6 Department, by rule or order, may conditionally or
7 unconditionally exempt any person, digital asset, or
8 transaction, or any class or classes of persons, digital
9 assets, or transactions, from any provision of this Act or of
10 any rule thereunder, to the extent that the exemption is
11 necessary or appropriate, in the public interest, and
12 consistent with the protection of residents.

13 Section 1-15. General powers and duties.

14 (a) The Department shall regulate digital asset business
15 activity in this State, unless it is exempt pursuant to
16 Section 101-10. To the extent permissible under federal law,
17 the Department shall exercise nonexclusive oversight and
18 enforcement under any federal law applicable to digital asset
19 business activity.

20 (b) The functions, powers, and duties conferred upon the
21 Department by this Act are cumulative to any other functions,
22 powers, and duties conferred upon the Department by other laws
23 applicable to digital asset business activity.

24 (c) The Department shall have the following functions,
25 powers, and duties in carrying out its responsibilities under

1 this Act and any other law applicable to digital asset
2 business activity in this State:

3 (1) to issue or refuse to issue any registration or
4 other authorization under this Act;

5 (2) to revoke or suspend for cause any registration or
6 other authorization under this Act;

7 (3) to keep records of all registrations or other
8 authorizations under this Act;

9 (4) to receive, consider, investigate, and act upon
10 complaints made by any person relating to any digital
11 asset business activity in this State;

12 (5) to prescribe the forms of and receive:

13 (A) applications for registrations or other
14 authorizations under this Act; and

15 (B) all reports and all books and records required
16 to be made under this Act;

17 (6) to subpoena documents and witnesses and compel
18 their attendance and production, to administer oaths, and
19 to require the production of any books, papers, or other
20 materials relevant to any inquiry authorized by this Act
21 or other law applicable to digital asset business activity
22 in this State;

23 (7) to issue orders against any person:

24 (A) if the Secretary has reasonable cause to
25 believe that an unsafe, unsound, or unlawful practice
26 has occurred, is occurring, or is about to occur;

1 (B) if any person has violated, is violating, or
2 is about to violate any law, rule, or written
3 agreement with the Secretary; or

4 (C) for the purpose of administering the
5 provisions of this Act or other law applicable to
6 digital asset business activity and any rule adopted
7 in accordance with this Act or other law applicable to
8 digital asset business activity;

9 (8) to address any inquiries to any covered person, or
10 the directors, officers, or employees of the covered
11 person, or the affiliates or service providers of the
12 covered person, in relation to the covered person's
13 activities and conditions or any other matter connected
14 with its affairs, and it shall be the duty of any person so
15 addressed to promptly reply in writing to those inquiries;
16 the Secretary may also require reports from any covered
17 person at any time the Secretary chooses;

18 (9) to examine the books and records of every covered
19 person, affiliate, or service provider;

20 (10) to enforce the provisions of this Act and any
21 state or federal law applicable to digital asset business
22 activity;

23 (11) to levy fees, fines, and civil penalties, charges
24 for services, and assessments to defray operating
25 expenses, including direct and indirect costs, of
26 administering this Act and other laws applicable to

1 digital asset business activity;

2 (12) to appoint examiners, supervisors, experts, and
3 special assistants as needed to effectively and
4 efficiently administer this Act and other laws applicable
5 to digital asset business activity;

6 (13) to conduct hearings for the purpose of carrying
7 out the purposes of this Act;

8 (14) to exercise visitorial power over a covered
9 person, affiliate, or service provider;

10 (15) to enter into cooperative agreements with federal
11 and state regulatory authorities and to accept reports of
12 examinations from federal and state regulatory
13 authorities;

14 (16) to assign on an emergency basis an examiner or
15 examiners to monitor the affairs of a covered person,
16 affiliate, or service provider with whatever frequency the
17 Secretary determines appropriate and to charge the covered
18 person for reasonable and necessary expenses of the
19 Secretary if in the opinion of the Secretary an emergency
20 exists or appears likely to occur;

21 (17) to impose civil penalties against a covered
22 person, affiliate, or service provider for failing to
23 respond to a regulatory request or reporting requirement;
24 and

25 (18) to conduct investigations, market surveillance,
26 and research, studies, and analyses of matters affecting

1 the interests of users of digital assets;

2 (19) to take such actions as the Secretary deems
3 necessary to educate and protect users of digital assets;

4 (20) to develop and implement initiatives and programs
5 to promote responsible innovation in digital asset
6 business activity; and

7 (21) to perform any other lawful acts necessary or
8 desirable to carry out the purposes and provisions of this
9 Act and other laws applicable to digital asset business
10 activity.

11 (d) The Department may share any information obtained
12 pursuant to this Act or any other law applicable to digital
13 asset business activity with law enforcement officials or
14 other regulatory agencies.

15 Section 1-20. Funds.

16 (a) All moneys collected or received by the Department
17 under this Act shall be deposited into the Consumer Protection
18 Fund, which is hereby created as a special fund in the State
19 treasury. The amounts deposited into the Consumer Protection
20 Fund shall be used for the ordinary and contingent expenses of
21 the Department in administering this Act and other financial
22 laws; nothing in this Act shall prevent the continuation of
23 the practice of paying expenses involving salaries,
24 retirement, social security, and State-paid insurance of State
25 officers and employees by appropriation from the General

1 Revenue Fund or any other fund. Moneys deposited into the
2 Consumer Protection Fund may be transferred to the Professions
3 Indirect Cost Fund or any other Department fund.

4 (b) The expenses of administering this Act, including
5 investigations and examinations provided for in this Act,
6 shall be borne by and assessed against persons regulated by
7 this Act. The Department may establish fees by rule, including
8 in the following categories:

9 (1) investigation of registrants and registration
10 applicant fees;

11 (2) examination fees;

12 (3) contingent fees; and

13 (4) such other categories as may be required to
14 administer this Act.

15 (c) The Department shall charge and collect fees from
16 covered persons, which shall be nonrefundable unless otherwise
17 indicated, for the expenses of administering this Act as
18 follows:

19 (1) Each covered person shall pay \$150 for each hour
20 or part of an hour for each examiner or staff assigned to
21 the supervision of the covered person plus actual travel
22 costs for any examination of digital asset business
23 activity pursuant to the Act.

24 (2) Each covered person shall pay to the Department
25 its pro rata share of the cost for administration of this
26 Act that exceeds other fees listed in this Act, as

1 estimated by the Department, for the current year and any
2 deficit actually incurred in the administration of the Act
3 in prior years. The total annual assessment for all
4 registrants shall initially be divided into a
5 transaction-based assessment and a custody-based
6 assessment, each equal to approximately half the cost for
7 administration of this Act. Each registrant's pro rata
8 share of the transaction-based assessment shall be the
9 percentage that the total volume of digital asset
10 transactions conducted on behalf of residents by the
11 registrant bears to the total volume of digital asset
12 transactions by all registrants in Illinois. Each
13 registrant's pro rata share of the custody-based
14 assessment shall be the percentage that the total United
15 States dollar value of digital assets held in custody or
16 controlled by the registrant for residents bears to the
17 total United States dollar value held in custody or
18 controlled by all registrants in Illinois for residents.

19 (3) Beginning one year after the effective date of
20 this Act, the Department may, by rule, amend the fees set
21 forth in this subsection in accordance with this Act. The
22 Department is authorized to consider setting fees for
23 digital asset business activity based on the value of
24 digital assets transacted by covered persons, volume of
25 digital assets transacted by covered persons, the value of
26 digital assets held in custody by covered person, and the

1 volume of digital assets held in custody by covered
2 persons.

3 Article 5. Customer Protections

4 Section 5-5. Customer disclosures.

5 (a) When engaging in digital asset business activity with
6 a resident, a covered person shall provide to a resident the
7 customer disclosures required by subsection (b) and any
8 additional disclosures the Department by rule determines to be
9 necessary and appropriate for the protection of residents. The
10 Department may determine by rule the time and form required
11 for disclosures. A disclosure required by this Section shall
12 be made separately from any other information provided by the
13 covered person and in a clear and conspicuous manner in a
14 record the resident may keep.

15 (b) Before engaging in digital asset business activity
16 with a resident, a covered person shall disclose, to the
17 extent applicable to the digital asset business activity the
18 covered person will undertake with the resident, subject to
19 any rule or order issued by the Department, all of the
20 following:

21 (1) A schedule of fees and charges the covered person
22 may assess, the manner by which fees and charges will be
23 calculated if they are not set in advance and disclosed,
24 and the timing of the fees and charges.

1 (2) Whether the product or service provided by the
2 covered person is covered by either of the following:

3 (A) A form of insurance or other guarantee against
4 loss by an agency of the United States as follows:

5 (i) Up to the full United States dollar
6 equivalent of digital assets placed under the
7 custody or control of, or purchased from, the
8 covered person as of the date of the placement or
9 purchase, including the maximum amount provided by
10 insurance under the Federal Deposit Insurance
11 Corporation or National Credit Union
12 Administration or otherwise available from the
13 Securities Investor Protection Corporation.

14 (ii) If not provided at the full United States
15 dollar equivalent of the digital assets placed
16 under the custody or control of or purchased from
17 the covered person, the maximum amount of coverage
18 for each resident expressed in the United States
19 dollar equivalent of the digital asset.

20 (iii) If not applicable to the product or
21 service provided by the covered person, a clear
22 and conspicuous statement that the product is not
23 insured, as applicable, by the Federal Deposit
24 Insurance Corporation, National Credit Union
25 Administration, or the Securities Investor
26 Protection Corporation.

1 (B) (i) Private insurance against loss or theft,
2 including cybertheft or theft by other means.

3 (ii) A covered person shall disclose the terms
4 of the insurance policy to the resident in a
5 manner that allows the resident to understand the
6 specific insured risks that may result in partial
7 coverage of the resident's assets.

8 (3) The irrevocability of a transfer or exchange and
9 any exception to irrevocability.

10 (4) A description of all of the following:

11 (A) The covered person's liability for an
12 unauthorized, mistaken, or accidental transfer or
13 exchange.

14 (B) The resident's responsibility to provide
15 notice to the covered person of an unauthorized,
16 mistaken, or accidental transfer or exchange.

17 (C) The basis for any recovery by the resident
18 from the covered person in case of an unauthorized,
19 mistaken, or accidental transfer or exchange.

20 (D) General error resolution rights applicable to
21 an unauthorized, mistaken, or accidental transfer or
22 exchange.

23 (E) The method for the resident to update the
24 resident's contact information with the covered
25 person.

26 (5) That the date or time when the transfer or

1 exchange is made and the resident's account is debited may
2 differ from the date or time when the resident initiates
3 the instruction to make the transfer or exchange.

4 (6) Whether the resident has a right to stop a
5 preauthorized payment or revoke authorization for a
6 transfer and the procedure to initiate a stop-payment
7 order or revoke authorization for a subsequent transfer.

8 (7) The resident's right to receive a receipt, trade
9 ticket, or other evidence of the transfer or exchange.

10 (8) The resident's right to at least 14 days' prior
11 notice of a change in the covered person's fee schedule,
12 other terms and conditions that have a material impact on
13 digital asset business activity with the resident, or the
14 policies applicable to the resident's account.

15 (9) That no digital asset is currently recognized as
16 legal tender by the State of Illinois or the United
17 States.

18 (10) (A) A list of instances in the past 12 months when
19 the covered person's service was unavailable to customers
20 seeking to engage in digital asset business activity due
21 to a service outage on the part of the covered person and
22 the causes of each identified service outage.

23 (B) As part of the disclosure required by this
24 paragraph, the covered person may list any steps the
25 covered person has taken to resolve underlying causes
26 for those outages.

1 (11) A disclosure, provided separately from the
2 disclosures provided pursuant to paragraphs (1) to (10) of
3 this subsection and written prominently in bold type, that
4 the State of Illinois has not approved or endorsed any
5 digital assets or determined if this customer disclosure
6 is truthful or complete.

7 (c) Except as otherwise provided in subsection (d), at the
8 conclusion of a digital asset transaction with, or on behalf
9 of, a resident, a covered person shall provide the resident a
10 confirmation in a record which contains all of the following:

11 (1) The name and contact information of the covered
12 person, including the toll-free telephone number required
13 under Section 5-20.

14 (2) The type, value, date, precise time, and amount of
15 the transaction.

16 (3) The fee charged for the transaction, including any
17 charge for conversion of a digital asset to fiat currency
18 or other digital asset, as well as any indirect charges.

19 (d) If a covered person discloses that it will provide a
20 daily confirmation in the initial disclosure under subsection
21 (c), the covered person may elect to provide a single, daily
22 confirmation for all transactions with or on behalf of a
23 resident on that day instead of a per transaction
24 confirmation.

25 Section 5-10. Custody and protection of customer assets.

1 (a) A covered person that stores, holds, or maintains
2 custody or control of a digital asset for one or more persons
3 shall:

4 (1) at all times maintain an amount of each type of
5 digital asset sufficient to satisfy the aggregate
6 entitlements of the persons to the type of digital asset;

7 (2) segregate such digital assets from the other
8 assets of the covered person; and

9 (3) not sell, transfer, assign, lend, hypothecate,
10 pledge, or otherwise use or encumber such digital assets,
11 except for the sale, transfer, or assignment of such
12 digital assets at the direction of such other persons.

13 (b) If a covered person violates subsection (a), then the
14 property interests of the persons in the digital asset are pro
15 rata property interests in the type of digital asset to which
16 the persons are entitled without regard to the time the
17 persons became entitled to the digital asset or the covered
18 person obtained control of the digital asset.

19 (c) A digital asset subject to this Section is:

20 (1) held for the persons entitled to the digital asset
21 under subsection (a);

22 (2) not the property of the covered person; and

23 (3) not subject to the claims of creditors of the
24 covered person.

25 (d) Digital assets subject to this Section, even if
26 commingled with other assets of the covered person, are held

1 in trust for the benefit of the persons entitled to the digital
2 assets under subsection (a), in the event of insolvency, the
3 filing of a petition by or against the covered person under the
4 United States Bankruptcy Code (11 U.S.C. 101 et seq.) for
5 bankruptcy or reorganization, the filing of a petition by or
6 against the covered person for receivership, the commencement
7 of any other judicial or administrative proceeding for its
8 dissolution or reorganization, or an action by a creditor
9 against the covered person who is not a beneficiary of this
10 statutory trust. No digital asset impressed with a trust
11 pursuant to this subsection shall be subject to attachment,
12 levy of execution, or sequestration by order of any court,
13 except for a beneficiary of this statutory trust.

14 (e) The Department may adopt rules applicable to covered
15 persons related to additional protections of customer assets,
16 including, but not limited to:

17 (1) rules requiring that digital assets and funds
18 controlled by the covered person on behalf of residents be
19 held in accounts segregated from the covered person's own
20 digital assets and funds;

21 (2) rules related to qualified custodians that may
22 hold such segregated accounts;

23 (3) rules related to titling of such segregated
24 accounts;

25 (4) rules related to audit requirements for customer
26 assets;

1 (5) rules requiring compliance with specific
2 provisions of the Uniform Commercial Code applicable to
3 digital assets;

4 (6) rules restricting selling, transferring,
5 assigning, lending, hypothecating, pledging, or otherwise
6 using or encumbering customer assets; and

7 (7) any rules as may be as may be necessary and
8 appropriate for the protection of residents or necessary
9 to effectuate the purposes of this Section.

10 Section 5-15. Covered exchanges.

11 (a)(1) Except as provided for under paragraph (2) of this
12 subsection, a covered exchange, before listing or offering a
13 digital asset that the covered exchange can exchange on behalf
14 of a resident, shall certify on a form provided by the
15 Department that the covered exchange has done the following:

16 (A) Identified the risk that the digital asset would
17 be deemed a security by federal or state regulators.

18 (B) Provided, in writing, full and fair disclosure of
19 all material facts relating to conflicts of interest that
20 are associated with the covered exchange and the digital
21 asset.

22 (C) Conducted a comprehensive risk assessment designed
23 to ensure consumers are adequately protected from
24 cybersecurity risk, risk of malfeasance, including theft,
25 risks related to code or protocol defects, market-related

1 risks, including price manipulation and fraud, and any
2 other material risks.

3 (D) Established policies and procedures to reevaluate
4 the appropriateness of the continued listing or offering
5 of the digital asset, including an evaluation of whether
6 material changes have occurred.

7 (E) Established policies and procedures to cease
8 listing or offering the digital asset, including
9 notification to affected consumers and counterparties.

10 (F) Any other requirement designated by rule by the
11 Department as may be necessary and appropriate for the
12 protection of residents.

13 (2) Certification by a covered exchange shall not be
14 required for any digital asset approved for listing on or
15 before the effective date of this Act by the New York
16 Department of Financial Services pursuant to Part 200 of Title
17 23 of the New York Code of Rules and Regulations, if the
18 covered exchange provides notification to the Department on a
19 form provided by the Department.

20 (3) After a finding that a covered exchange has listed or
21 offered a digital asset without appropriate certification or
22 after a finding that misrepresentations were made in the
23 certification process, the Department may require the covered
24 exchange to cease listing or offering the digital asset and
25 may take an enforcement action under Section 120-50 of this
26 Act.

1 (b) (1) A covered exchange shall make every effort to
2 execute a resident's request to exchange a digital asset that
3 the covered exchange receives fully and promptly.

4 (2) (A) A covered exchange shall use reasonable diligence
5 to ensure that the outcome to the resident is as favorable as
6 possible under prevailing market conditions. Compliance with
7 this paragraph shall be determined by factors, including, but
8 not limited to, all of the following:

9 (i) The character of the market for the digital asset,
10 including price and volatility.

11 (ii) The size and type of transaction.

12 (iii) The number of markets checked.

13 (iv) Accessibility of appropriate pricing.

14 (v) Any other factor designated by rule by the
15 Department as may be necessary and appropriate for the
16 protection of residents.

17 (B) At least once every 6 months, a covered exchange shall
18 review aggregated trading records of residents against
19 benchmarks to determine execution quality, investigate the
20 causes of any variance, and promptly take action to remedy
21 issues identified in that review.

22 (3) In a transaction for or with a resident, the covered
23 exchange shall not interject a third party between the covered
24 exchange and the best market for the digital asset in a manner
25 inconsistent with this subsection.

26 (4) If a covered exchange cannot execute directly with a

1 market and employs other means in order to ensure an execution
2 advantageous to the resident, the burden of showing the
3 acceptable circumstances for doing so is on the covered
4 exchange.

5 Section 5-20. Customer service; requests for assistance.

6 (a) A covered person shall prominently display on its
7 internet website a toll-free telephone number through which a
8 resident can contact the covered person for requests for
9 assistance and receive live customer assistance, subject to
10 any rules adopted by the Department.

11 (b) A covered person shall implement reasonable policies
12 and procedures for accepting, processing, investigating, and
13 responding to requests for assistance in a timely and
14 effective manner. Such policies and procedures shall include
15 all of the following:

16 (1) A procedure for resolving disputes between the
17 covered person and a resident.

18 (2) A procedure for a resident to report an
19 unauthorized, mistaken, or accidental digital asset
20 business activity transaction.

21 (3) A procedure for a resident to file a complaint
22 with the covered person and for the resolution of the
23 complaint in a fair and timely manner with notice to the
24 resident as soon as reasonably practical of the resolution
25 and the reasons for the resolution.

1 (4) Any other procedure designated by rule by the
2 Department as may be necessary and appropriate for the
3 protection of residents.

4 Section 5-25. Collection of compensation. Unless exempt
5 from registration under this Act, no person engaged in or
6 offering to engage in any act or service for which a
7 registration under this Act is required may bring or maintain
8 any action in any court to collect compensation for the
9 performance of the registrable services without alleging and
10 proving that he or she was the holder of a valid registration
11 under this Act at all times during the performance of those
12 services.

13 Article 10. Compliance

14 Section 10-5. General requirements.

15 (a) Each registrant is required to comply with the
16 provisions of this Act, any lawful order, rule, or regulation
17 made or issued under the provisions of this Act, and all
18 applicable federal and State laws, rules, and regulations.

19 (b) Each registrant shall designate a qualified individual
20 or individuals responsible for coordinating and monitoring
21 compliance with subsection (a).

22 (c) Each registrant shall maintain, implement, update, and
23 enforce written compliance policies and procedures, in

1 accordance with Section 110-10 and subject to any rules
2 adopted by the Department, which policies and procedures must
3 be reviewed and approved by the registrant's board of
4 directors or an equivalent governing body of the registrant.

5 Section 10-10. Required policies and procedures.

6 (a) An applicant, before submitting an application, shall
7 create and a registrant, during registration, shall maintain,
8 implement, update, and enforce, written compliance policies
9 and procedures for all of the following:

10 (1) A cybersecurity program.

11 (2) A business continuity program.

12 (3) A disaster recovery program.

13 (4) An anti-fraud program.

14 (5) An anti-money laundering and countering the
15 financing of terrorism program.

16 (6) An operational security program.

17 (7) (A) A program designed to ensure compliance with
18 this Act and other laws of this State or federal laws that
19 are relevant to the digital asset business activity
20 contemplated by the registrant with or on behalf of
21 residents and to assist the registrant in achieving the
22 purposes of other State laws and federal laws if violation
23 of those laws has a remedy under this Act.

24 (B) At a minimum, the program described by this
25 paragraph shall specify the policies and procedures that

1 the registrant undertakes to minimize the risk that the
2 registrant facilitates the exchange of unregistered
3 securities.

4 (8) A conflict of interest program.

5 (9) A request for assistance program to comply with
6 Section 5-20.

7 (10) Any other compliance program, policy, or
8 procedure the Department establishes by rule as necessary
9 for the protection of residents or for the safety and
10 soundness of the registrant's business or to effectuate
11 the purposes of this Act.

12 (b) A policy required by subsection (a) shall be
13 maintained in a record and designed to be adequate for a
14 registrant's contemplated digital asset business activity with
15 or on behalf of residents, considering the circumstances of
16 all participants and the safe operation of the activity. Any
17 policy and implementing procedure shall be compatible with
18 other policies and the procedures implementing them and not
19 conflict with policies or procedures applicable to the
20 registrant under other State law.

21 (c) A registrant's anti-fraud program shall include, at a
22 minimum, all of the following:

23 (1) Identification and assessment of the material
24 risks of its digital asset business activity related to
25 fraud, which shall include any form of market manipulation
26 and insider trading by the registrant, its employees, its

1 associated persons, or its customers.

2 (2) Protection against any material risk related to
3 fraud identified by the Department or the registrant.

4 (3) Periodic evaluation and revision of the anti-fraud
5 program, policies, and procedures.

6 (d) A registrant's anti-money laundering and countering
7 the financing of terrorism program shall include, at a
8 minimum, all of the following:

9 (1) Identification and assessment of the material
10 risks of its digital asset business activity related to
11 money laundering and financing of terrorist activity.

12 (2) Procedures, in accordance with federal law or
13 guidance published by federal agencies responsible for
14 enforcing federal law, pertaining to money laundering and
15 financing of terrorist activity.

16 (3) Filing reports under the Bank Secrecy Act, 31
17 U.S.C. 5311 et seq., or Chapter X of Title 31 of the Code
18 of Federal Regulations and other federal or State law
19 pertaining to the prevention or detection of money
20 laundering or financing of terrorist activity.

21 (e) A registrant's operational security program shall
22 include, at a minimum, reasonable and appropriate
23 administrative, physical, and technical safeguards to protect
24 the confidentiality, integrity, and availability of any
25 nonpublic information or digital asset it receives, maintains,
26 or transmits.

1 (f) (1) A registrant's cybersecurity program shall include,
2 at a minimum, all of the following:

3 (A) Maintaining, updating, and enforcing policies and
4 procedures designed to protect the confidentiality,
5 integrity, and availability of the registrant's
6 information systems and nonpublic information stored on
7 those information systems.

8 (B) Implementing and maintaining a written policy or
9 policies, approved at least annually by an executive
10 officer or the registrant's board of directors, or an
11 appropriate committee thereof, or equivalent governing
12 body, setting forth the registrant's policies and
13 procedures for the protection of its information systems
14 and nonpublic information stored on those information
15 systems.

16 (C) Designating a qualified individual responsible for
17 overseeing and implementing the registrant's cybersecurity
18 program and enforcing its cybersecurity policy. The
19 individual must have adequate authority to ensure
20 cybersecurity risks are appropriately managed, including
21 the ability to direct sufficient resources to implement
22 and maintain a cybersecurity program. The individual may
23 be employed by the registrant, one of its affiliates, or a
24 service provider.

25 (2) To assist in carrying out this subsection, the
26 Department may adopt rules to define terms used in this

1 subsection and to establish specific requirements for the
2 required cybersecurity program, including, but not limited to,
3 rules related to:

4 (A) penetration testing and vulnerability assessment;

5 (B) audit trails;

6 (C) access privileges;

7 (D) application security;

8 (E) risk assessment;

9 (F) cybersecurity personnel and intelligence;

10 (G) affiliates and service providers;

11 (H) authentication;

12 (I) data retention;

13 (J) training and monitoring;

14 (K) encryption;

15 (L) incident response;

16 (M) notice of cybersecurity events; and

17 (N) any other requirement necessary and appropriate
18 for the protection of residents or for the safety and
19 soundness of the registrant or to effectuate the purposes
20 of this subsection.

21 (g) The Department may require a registrant to file with
22 the Department a copy of any report it makes to a federal or
23 state authority.

24 (h) After the policies and procedures required under this
25 Article are created and approved by the registrant, the
26 registrant shall engage a qualified individual or individuals

1 with adequate authority and experience to monitor and
2 implement each policy and procedure, publicize it as
3 appropriate, recommend changes as necessary, and enforce it.

4 Article 15. Registration

5 Section 15-5. Registration required. A person shall not
6 engage in digital asset business activity, or hold itself out
7 as being able to engage in digital asset business activity,
8 with or on behalf of a resident unless the person is registered
9 in this State by the Department under this Article, or the
10 person is exempt from registration pursuant to Section 1-10.

11 Section 15-10. Application.

12 (a) An application for a registration under this Act shall
13 meet all of the following requirements:

14 (1) The application shall be in a form and medium
15 prescribed by the Department. The Department may require
16 the filing of the application through a multistate
17 licensing system.

18 (2) The application shall provide all of the following
19 information relevant to the applicant's proposed digital
20 asset business activity:

21 (A) The legal name of the applicant, any current
22 or proposed business United States Postal Service
23 address of the applicant, and any fictitious or trade

1 name the applicant uses or plans to use in conducting
2 the applicant's digital asset business activity with
3 or on behalf of a resident.

4 (B) The legal name, any former or fictitious name,
5 and the residential and business United States Postal
6 Service address of any executive officer and
7 responsible individual of the applicant and any person
8 that has control of the applicant.

9 (C) A description of the current and former
10 business of the applicant and any affiliate of the
11 applicant for the 5 years before the application is
12 submitted, or, if the business has operated for less
13 than 5 years, for the time the business has operated,
14 including its products and services, associated
15 internet website addresses and social media pages,
16 principal place of business, projected user base, and
17 specific marketing targets.

18 (D) A list of all of the following:

19 (i) Any digital asset, money service, or money
20 transmitter registration the applicant and any
21 affiliates hold in another state or from an agency
22 of the United States.

23 (ii) The date the registrations described in
24 subdivision (i) expire.

25 (iii) Any revocation, suspension, or other
26 disciplinary action taken against the applicant

1 and any affiliates in any state or by an agency of
2 the United States and any applications rejected by
3 any state or agency of the United States.

4 (E) A list of any criminal conviction, deferred
5 prosecution agreement, and pending criminal proceeding
6 in any jurisdiction against all of the following:

7 (i) The applicant.

8 (ii) Any executive officer of the applicant.

9 (iii) Any responsible individual of the
10 applicant.

11 (iv) Any person that has control over the
12 applicant.

13 (v) Any affiliate of the applicant.

14 (F) A list of any litigation, arbitration, or
15 administrative proceeding in any jurisdiction in which
16 the applicant or an executive officer, responsible
17 individual, or affiliate of the applicant has been a
18 party for the 10 years before the application is
19 submitted determined to be material in accordance with
20 generally accepted accounting principles and, to the
21 extent the applicant or such other person would be
22 required to disclose the litigation, arbitration, or
23 administrative proceeding in the applicant's or such
24 other person's audited financial statements, reports
25 to equity owners, and similar statements or reports.

26 (G) A list of any bankruptcy or receivership

1 proceeding in any jurisdiction for the 10 years before
2 the application is submitted in which any of the
3 following was a debtor:

4 (i) The applicant.

5 (ii) An executive officer of the applicant.

6 (iii) A responsible individual of the
7 applicant.

8 (iv) A person that has control over the
9 applicant.

10 (v) An affiliate of the applicant.

11 (H) The name and United States Postal Service
12 address of any bank or credit union in which the
13 applicant and any affiliates plan to deposit funds
14 obtained by digital asset business activity.

15 (I) The source of funds and credit to be used by
16 the applicant and any affiliate to conduct digital
17 asset business activity with or on behalf of a
18 resident.

19 (J) A current financial statement and other
20 documentation satisfactory to the Department
21 demonstrating that the applicant has the capital and
22 liquidity required by Section 120-5.

23 (K) The United States Postal Service address and
24 email address to which communications from the
25 Department can be sent.

26 (L) The name, United States Postal Service

1 address, and email address of the registered agent of
2 the applicant in this State.

3 (M) A copy of the certificate, or a detailed
4 summary acceptable to the Department, of coverage for
5 any liability, casualty, business interruption, or
6 cybersecurity insurance policy maintained by the
7 applicant for itself, an executive officer, a
8 responsible individual, an affiliate, or the
9 applicant's users.

10 (N) If applicable, the date on which and the state
11 in which the applicant is formed and a copy of a
12 current certificate of good standing issued by that
13 state.

14 (O) If a person has control of the applicant and
15 the person's equity interests are publicly traded in
16 the United States, a copy of the audited financial
17 statement of the person for the most recent fiscal
18 year or most recent report of the person filed under
19 Section 13 of the Securities Exchange Act of 1934, 15
20 U.S.C. 78m.

21 (P) If a person has control of the applicant and
22 the person's equity interests are publicly traded
23 outside the United States, a copy of the audited
24 financial statement of the person for the most recent
25 fiscal year of the person or a copy of the most recent
26 documentation similar to that required in subparagraph

1 (N) filed with the foreign regulator in the domicile
2 of the person.

3 (Q) If the applicant is a partnership or a
4 member-managed limited liability company, the names
5 and United States Postal Service addresses of any
6 general partner or member.

7 (R) If the applicant is required to register with
8 the Financial Crimes Enforcement Network of the United
9 States Department of the Treasury as a money service
10 business, evidence of the registration.

11 (S) A set of fingerprints for each executive
12 officer and responsible individual of the applicant.

13 (T) If available, for any executive officer and
14 responsible individual of the applicant, for the 10
15 years before the application is submitted, employment
16 history and history of any investigation of the
17 individual or legal proceeding to which the individual
18 was a party.

19 (U) The plans through which the applicant will
20 meet its obligations under Article 110.

21 (V) Any other information the Department requires
22 by rule.

23 (3) The application shall be accompanied by a
24 nonrefundable fee of \$5,000 or the amount determined by
25 the Department to cover the costs of application review,
26 whichever is greater.

1 (b) (1) On receipt of a completed application, the
2 Department shall investigate all of the following:

3 (A) The financial condition and responsibility of the
4 applicant and any affiliate of the applicant.

5 (B) The relevant financial and business experience,
6 character, and general fitness of the applicant and any
7 affiliate of the applicant.

8 (C) The competence, experience, character, and general
9 fitness of each executive officer and director, each
10 responsible individual, and any person that has control of
11 the applicant.

12 (2) On receipt of a completed application, the Department
13 may investigate the business premises of an applicant or an
14 affiliate of the applicant or require the submission of any
15 other documents or information the Department deems relevant
16 to the application.

17 (3) The investigation required by this subsection must
18 allow the Secretary to issue positive findings stating that
19 the financial condition, financial responsibility, competence,
20 experience, character, and general fitness of the applicant,
21 each executive officer and director, each responsible
22 individual, any person that has control of the applicant, and
23 any affiliate of the applicant are such as to command the
24 confidence of the community and to warrant belief that the
25 business will be operated honestly, fairly, and efficiently
26 within the purpose of this Act; if the Secretary does not so

1 find, he or she shall not issue the registration, and he or she
2 shall notify the applicant of the denial.

3 (c)(1) After completing the investigation required by
4 subsection (b), the Department shall send the applicant notice
5 of its decision to approve, conditionally approve, or deny the
6 application. If the Department does not receive notice from
7 the applicant that the applicant accepts conditions specified
8 by the Department within 31 days following the Department's
9 notice of the conditions, the application shall be deemed
10 withdrawn.

11 (2) The Secretary may impose conditions on a registration
12 if the Secretary determines that those conditions are
13 necessary or appropriate. These conditions shall be imposed in
14 writing and shall continue in effect for the period prescribed
15 by the Secretary.

16 (d) A registration issued pursuant to this Act shall take
17 effect on the later of the following:

18 (1) The date the Department issues the registration.

19 (2) The date the registration provides the security
20 required by Section 20-5.

21 (e) In addition to the fee required by paragraph (3) of
22 subsection (a), an applicant shall pay the costs of the
23 Department's investigation under subsection (b).

24 (f) A registration issued pursuant to this Act shall
25 remain in full force and effect until it expires without
26 renewal, is surrendered by the registration, or revoked or

1 suspended as hereinafter provided.

2 (g) (1) The Department may issue a conditional registration
3 to an applicant who holds or maintains a registration to
4 conduct virtual currency business activity in the State of New
5 York pursuant to Part 200 of Title 23 of the New York Code of
6 Rules and Regulations, or a charter as a New York State limited
7 purpose trust company with approval to conduct virtual
8 currency business under the New York Banking Law, if the
9 registration or approval was issued no later than the
10 effective date of this Act and the applicant pays all
11 appropriate fees and complies with the requirements of this
12 Act.

13 (2) A conditional registration issued pursuant to this
14 subsection shall expire at the earliest of the following:

15 (A) upon issuance of an unconditional registration;

16 (B) upon denial of a registration;

17 (C) upon revocation of a registration issued pursuant
18 to Part 200 of Title 23 of the New York Code of Rules and
19 Regulations or disapproval or revocation of a charter as a
20 New York State limited purpose trust company with approval
21 to conduct virtual currency business under the New York
22 Banking Law.

23 Section 15-15. Renewal.

24 (a) Registrations shall be subject to renewal every year
25 using a common renewal period as established by the Department

1 by rule. A registrant may apply for renewal of the
2 registration by submitting a renewal application under
3 subsection (b) and paying all applicable fees due to the
4 Department.

5 (b) The renewal application required by subsection (a)
6 shall be submitted in a form and medium prescribed by the
7 Department. The application shall contain all of the
8 following:

9 (1) Either a copy of the registrant's most recent
10 reviewed annual financial statement, if the gross revenue
11 generated by the registrant's digital asset business
12 activity in this State was not more than \$2,000,000 for
13 the fiscal year ending before the anniversary date of
14 issuance of its registration under this Act, or a copy of
15 the registrant's most recent audited annual financial
16 statement, if the registrant's digital asset business
17 activity in this State amounted to more than \$2,000,000,
18 for the fiscal year ending before the anniversary date.

19 (2) If a person other than an individual has control
20 of the registrant, a copy of either of the following:

21 (A) The person's most recent reviewed annual
22 financial statement, if the person's gross revenue was
23 not more than \$2,000,000 in the previous fiscal year
24 measured as of the anniversary date of issuance of its
25 registration under this Act.

26 (B) The person's most recent audited consolidated

1 annual financial statement, if the person's gross
2 revenue was more than \$2,000,000 in the previous
3 fiscal year measured as of the anniversary date of
4 issuance of its registration under this Act.

5 (3) A description of any of the following:

6 (A) Any material change in the financial condition
7 of the registrant and any affiliate of the registrant.

8 (B) Any material litigation related to the
9 registrant's digital asset business activity and
10 involving the registrant or an executive officer,
11 responsible individual, or affiliate of the
12 registrant.

13 (C) Any federal, state, or foreign investigation
14 involving the registrant or an executive officer,
15 responsible individual, or affiliate of the
16 registrant.

17 (D) (i) Any data security breach or cybersecurity
18 event involving the registrant.

19 (ii) A description of a data security breach
20 pursuant to this subparagraph does not constitute
21 disclosure or notification of a security breach
22 for purposes of any other law.

23 (4) Information or records required by Section 120-25
24 that the registrant has not reported to the Department.

25 (5) The number of digital asset business activity
26 transactions with or on behalf of residents for the period

1 since the later of the date the registration was issued or
2 the date the last renewal application was submitted.

3 (6) (A) The amount of United States dollar equivalent
4 of digital assets in the custody or control of the
5 registrant at the end of the last month that ends not later
6 than 30 days before the date of the renewal application.

7 (B) The total number of residents for whom the
8 registrant had custody or control of United States
9 dollar equivalent of digital assets on that date.

10 (7) Evidence that the registrant is in compliance with
11 Section 5-10.

12 (8) Evidence that the registrant is in compliance with
13 Section 20-5.

14 (9) A list of all locations where the registrant
15 engages in digital asset business activity.

16 (10) Any other information the Department requires by
17 rule.

18 (c) If a registrant does not timely comply with this
19 Section, the Department may take enforcement actions provided
20 under Section 20-50. Notice or hearing is not required for a
21 suspension or revocation of a registration under this Act for
22 failure to pay a renewal fee, file a renewal application, or
23 otherwise comply with this Section.

24 (d) Suspension or revocation of a registration under this
25 Section does not invalidate a transfer or exchange of digital
26 assets for or on behalf of a resident made during the

1 suspension or revocation and does not insulate the registrant
2 from liability under this Act.

3 (e) For good cause, the Department, in its sole
4 discretion, may extend a period under this Section.

5 (f) A registrant that does not comply with this Section
6 shall cease digital asset business activities with or on
7 behalf of a resident. A registrant ceasing an activity or
8 activities regulated by this Act and desiring to no longer be
9 registered shall so inform the Department in writing and, at
10 the same time, convey any registration issued and all other
11 symbols or indicia of registration. The registrant shall
12 include a plan for the withdrawal from regulated business,
13 including a timetable for the disposition of the business, and
14 comply with the surrender guidelines or requirements of the
15 Department.

16 Section 15-20. Nontransferable registration. A
17 registration under this Act is not transferable or assignable.

18 Article 20. Supervision

19 Section 20-5. Surety bond; capital and liquidity
20 requirements.

21 (a) (1) (A) A registrant shall maintain a surety bond or
22 trust account in United States dollars in a form and amount as
23 determined by the Department for the protection of residents

1 that engage in digital asset business activity with the
2 registrant.

3 (B) If a registrant maintains a trust account
4 pursuant to this Section, that trust account shall be
5 maintained with a qualified custodian.

6 (2) Security deposited under this Section shall be for
7 the benefit of a claim against the registrant on account
8 of the registrant's digital asset business activity with
9 or on behalf of a resident.

10 (3) Security deposited under this Section shall cover
11 claims for the period the Department specifies by rule and
12 for an additional period the Department specifies after
13 the registrant ceases to engage in digital asset business
14 activity with or on behalf of a resident.

15 (4) The Department may require the registrant to
16 increase the amount of security deposited under this
17 Section, and the registrant shall deposit the additional
18 security not later than 15 days after the registrant
19 receives notice in a record of the required increase.

20 (5) The Department may permit a registrant to
21 substitute or deposit an alternate form of security
22 satisfactory to the Department if the registrant at all
23 times complies with this Section.

24 (b) In addition to the security required under subsection
25 (a), a registrant shall maintain at all times capital and
26 liquidity, each in an amount and form as the Department

1 determines is sufficient to ensure the financial integrity of
2 the registrant and its ongoing operations based on an
3 assessment of the specific risks applicable to the registrant.
4 In determining the minimum amount of capital and liquidity
5 that shall be maintained by a registrant, the Department may
6 consider factors, including, but not limited to, all of the
7 following:

8 (1) The composition of the registrant's total assets,
9 including the position, size, quality, liquidity, risk
10 exposure, and price volatility of each type of asset.

11 (2) The composition of the registrant's total
12 liabilities, including the size and repayment timing of
13 each type of liability.

14 (3) The actual and expected volume of the registrant's
15 digital asset business activity.

16 (4) The amount of leverage employed by the registrant.

17 (5) The liquidity position of the registrant.

18 (6) The financial protection that the registrant
19 provides pursuant to subsection (a).

20 (7) The types of entities to be serviced by the
21 registrant.

22 (8) The types of products or services to be offered by
23 the registrant.

24 (9) Arrangements adopted by the registrant for the
25 protection of its customers in the event of the
26 registrant's insolvency.

1 (c) A registrant shall hold liquidity required to be
2 maintained in accordance with this Section in the form of cash
3 or high-quality liquid assets, as defined by the Department
4 and in proportions determined by the Department.

5 (d) The Department may require a registrant to increase
6 the capital or liquidity required under this Section. A
7 registrant shall submit evidence satisfactory to the
8 Department that it has additional capital or liquidity
9 required pursuant to this subsection not later than 15 days
10 after the registrant receives notice in a record of the
11 required increase.

12 Section 20-10. Examination.

13 (a) (1) (A) The Department may, at any time and from time to
14 time, examine the business and any office, within or outside
15 this State, of any covered person, or any agent of a covered
16 person, in order to ascertain (i) the financial condition of
17 the covered person, (ii) the safety and soundness of the
18 conduct of its business, (iii) the policies of its management,
19 (iv) whether the business is being conducted in a lawful
20 manner, (v) whether all digital asset business activity is
21 properly accounted for, and (vi) such other matters as the
22 Department may determine, including, but not limited to, any
23 activities of the covered person outside the State if in the
24 Department's judgment such activities may affect the covered
25 person's digital asset business activity.

1 (B) The directors, officers, and employees of a
2 covered person, or agent of a covered person, being
3 examined by the Department shall exhibit to the
4 Department, on request, any or all of the covered
5 person's accounts, books, correspondence, memoranda,
6 papers, and other records and shall otherwise
7 facilitate the examination so far as it may be in their
8 power to do so.

9 (C) The covered person shall permit and assist the
10 Department to examine an affiliate or service provider
11 of the covered person when, in the Department's
12 judgment, it is necessary or advisable to do so.

13 (2) The Department may examine a covered person, its
14 affiliate, or service provider pursuant to this paragraph
15 without prior notice to the covered person, affiliate, or
16 service provider.

17 (b) A covered person shall pay the necessary costs of an
18 examination under this Section.

19 Section 20-15. Books and records.

20 (a) A registrant shall maintain, for all digital asset
21 business activity with or on behalf of a resident for 5 years
22 after the date of the activity, a record of all of the
23 following:

24 (1) Any transaction of the registrant with or on
25 behalf of the resident or for the registrant's account in

1 this State, including all of the following:

2 (A) The identity of the resident.

3 (B) The form of the transaction.

4 (C) The amount, date, and payment instructions
5 given by the resident.

6 (D) The account number, name, and physical address
7 of:

8 (i) the parties to the transaction that are
9 customers or account holders of the registrant;
10 and

11 (ii) to the extent practicable, any other
12 parties to the transaction.

13 (2) The aggregate number of transactions and aggregate
14 value of transactions by the registrant with, or on behalf
15 of, the resident and for the registrant's account in this
16 State expressed in United States dollar equivalent of
17 digital assets for the previous 12 calendar months.

18 (3) Any transaction in which the registrant exchanged
19 one form of digital asset for fiat currency or another
20 form of digital asset with or on behalf of the resident.

21 (4) A general ledger maintained at least monthly that
22 lists all assets, liabilities, capital, income, and
23 expenses of the registrant.

24 (5) Any report of condition or other reports to the
25 Department, at such times and in such form, as the
26 Department may request.

1 (6) Bank statements and bank reconciliation records
2 for the registrant and the name, account number, and
3 United States Postal Service address of any bank or credit
4 union the registrant uses in the conduct of its digital
5 asset business activity with or on behalf of the resident.

6 (7) A report of any dispute with a resident.

7 (b) A registrant shall maintain records required by
8 subsection (a) in a form that enables the Department to
9 determine whether the registrant is in compliance with this
10 Act, any court order, and the laws of this State.

11 (c) If a registrant maintains records outside this State
12 that pertain to transactions with or on behalf of a resident,
13 the registrant shall make the records available to the
14 Department not later than 3 days after request, or, on a
15 determination of good cause by the Department, in its sole
16 discretion, at a later time.

17 (d) All records maintained by a registrant, any affiliate,
18 or any service provider are subject to inspection by the
19 Department.

20 Section 20-20. Regulatory cooperation. The Department may
21 cooperate, coordinate, jointly examine, consult, and share
22 records and other information with the appropriate regulatory
23 agency of another state, a self-regulatory organization,
24 federal or state regulator of banking or non-depository
25 institutions, or a regulator of a jurisdiction outside the

1 United States, concerning the affairs and conduct of a covered
2 person, affiliate, or service provider in this State.

3 Section 20-25. Material business changes.

4 (a) A registrant shall file with the Department a report
5 of the following, as may be applicable:

6 (1) A material change in information in the
7 application for a registration under this Act or the most
8 recent renewal report of the registrant under this Act.

9 (2) A material change in the registrant's business for
10 the conduct of its digital asset business activity with or
11 on behalf of a resident.

12 (3) A change of an affiliate, executive officer,
13 responsible individual, or person in control of the
14 registrant.

15 (b) A report required by this Section shall be filed not
16 later than 15 days after the change described in subsection
17 (a).

18 Section 20-30. Change in control.

19 (a) As used in this Section, "proposed person to be in
20 control" means the person that would control a registrant
21 after a proposed transaction that would result in a change in
22 control of the registrant.

23 (b) The following rules apply in determining whether a
24 person has control over a registrant:

1 (1) A person has control over a registrant if a person
2 directly or indirectly owns, controls, holds with the
3 power to vote, or holds proxies representing, 10% or more
4 of the then outstanding voting securities issued by the
5 registrant.

6 (2) A person has control over a registrant if the
7 person's voting power in the registrant constitutes or
8 will constitute at least 25% of the total voting power of
9 the registrant.

10 (3) A person has control over a registrant if the
11 person's voting power in another person constitutes or
12 will constitute at least 10% of the total voting power of
13 the other person and the other person's voting power in
14 the registrant constitutes at least 10% of the total
15 voting power of the registrant.

16 (4) There is no presumption of control solely because
17 an individual is an executive officer of the registrant.

18 (c) Before a proposed change in control of a registrant,
19 the proposed person to be in control shall submit to the
20 Department in a record all of the following:

21 (1) An application in a form and medium prescribed by
22 the Department.

23 (2) The information and records that Section 15-10
24 would require if the proposed person to be in control
25 already had control of the registrant.

26 (d) The Department shall not approve an application unless

1 the Secretary finds all of the following:

2 (1) The proposed person to be in control and all
3 executive officers of the proposed person to be in
4 control, if any, are of good character and sound financial
5 standing.

6 (2) The proposed person to be in control is competent
7 to engage in digital asset business activity.

8 (3) It is reasonable to believe that, if the person
9 acquires control of the registrant, the proposed person to
10 be in control and the registrant will comply with all
11 applicable provisions of this Act and any rules or order
12 issued under this Act.

13 (4) Any plans by the proposed person to be in control
14 to change the business, corporate structure, or management
15 of the registrant are not detrimental to the safety and
16 soundness of the registrant.

17 (e) The Department, in accordance with Section 15-10,
18 shall approve, approve with conditions, or deny an application
19 for a change in control of a registrant. The Department, in a
20 record, shall send notice of its decision to the registrant
21 and the person that would be in control if the Department had
22 approved the change in control. If the Department denies the
23 application, the registrant shall abandon the proposed change
24 in control or cease digital asset business activity with or on
25 behalf of residents.

26 (f) If the Department applies a condition to approval of a

1 change in control of a registrant, and the Department does not
2 receive notice of the applicant's acceptance of the condition
3 specified by the Department not later than 31 days after the
4 Department sends notice of the condition, the application is
5 deemed denied. If the application is deemed denied, the
6 registrant shall abandon the proposed change in control or
7 cease digital asset business activity with or on behalf of
8 residents.

9 (g) The Department may revoke or modify a determination
10 under subsection (d), after notice and opportunity to be
11 heard, if, in its judgment, revocation or modification is
12 consistent with this Act.

13 (h) If a change in control of a registrant requires
14 approval of another regulatory agency, and the action of the
15 other agency conflicts with that of the Department, the
16 Department shall confer with the other agency. If the proposed
17 change in control cannot be completed because the conflict
18 cannot be resolved, the registrant shall abandon the change in
19 control or cease digital asset business activity with or on
20 behalf of residents.

21 Section 20-35. Mergers.

22 (a) Before a proposed merger or consolidation of a
23 registrant with another person, the registrant shall submit
24 all of the following, as applicable, to the Department:

25 (1) An application in a form and medium prescribed by

1 the Department.

2 (2) The plan of merger or consolidation in accordance
3 with subsection (e).

4 (3) In the case of a registrant, the information
5 required by Section 15-10 concerning the person that would
6 be the surviving entity in the proposed merger or
7 consolidation.

8 (b) If a proposed merger or consolidation would change the
9 control of a registrant, the registrant shall comply with
10 Section 120-30 and this Section.

11 (c) The Department, in accordance with Section 115-10,
12 shall approve, conditionally approve, or deny an application
13 for approval of a merger or consolidation of a registrant. The
14 Department, in a record, shall send notice of its decision to
15 the registrant and the person that would be the surviving
16 entity. If the Department denies the application, the
17 registrant shall abandon the merger or consolidation or cease
18 digital asset business activity with or on behalf of
19 residents.

20 (d) The Department may revoke or modify a determination
21 under paragraph (c), after notice and opportunity to be heard,
22 if, in its judgment, revocation or modification is consistent
23 with this Act.

24 (e) A plan of merger or consolidation of a registrant with
25 another person shall do all of the following:

26 (1) Describe the effect of the proposed transaction on

1 the registrant's conduct of digital asset business
2 activity with or on behalf of residents.

3 (2) Identify each person to be merged or consolidated
4 and the person that would be the surviving entity.

5 (3) Describe the terms and conditions of the merger or
6 consolidation and the mode of carrying it into effect.

7 (f) If a merger or consolidation of a registrant and
8 another person requires approval of another regulatory agency,
9 and the action of the other agency conflicts with that of the
10 Department, the Department shall confer with the other agency.
11 If the proposed merger or consolidation cannot be completed
12 because the conflict cannot be resolved, the registrant shall
13 abandon the merger or consolidation or cease digital asset
14 business activity with or on behalf of residents.

15 (g) The Department may condition approval of an
16 application under subsection (a). If the Department does not
17 receive notice from the parties that the parties accept the
18 Department's condition not later than 31 days after the
19 Department sends notice in a record of the condition, the
20 application is deemed denied. If the application is deemed
21 denied, the registrant shall abandon the merger or
22 consolidation or cease digital asset business activity with,
23 or on behalf of, residents.

24 (h) If a registrant acquires substantially all of the
25 assets of a person, whether or not the person's registration
26 was approved by the Department, the transaction is subject to

1 this Section.

2 Section 20-40. Investigation of complaints. The Secretary
3 shall be authorized at all times to maintain staff and
4 facilities adequate to receive, record, and investigate
5 complaints and inquiries made by any person concerning this
6 Act and any covered persons, affiliates, and service providers
7 under this Act. Each such person shall open their books,
8 records, documents, and offices wherever situated to the
9 Secretary or his or her appointees as needed to facilitate
10 such investigations.

11 Section 20-45. Additional investigation and examination
12 authority. In addition to any authority allowed under this Act
13 or other applicable law, the Secretary shall have the
14 authority to conduct investigations and examinations as
15 follows:

16 (1) For purposes of initial registration, renewal,
17 suspension, conditioning, revocation or termination, or
18 general or specific inquiry or investigation to determine
19 compliance with this Act, the Secretary shall have the
20 authority to access, receive, and use any books, accounts,
21 records, files, documents, information, or evidence,
22 including, but not limited to, the following:

23 (A) criminal, civil, and administrative history
24 information, including nonconviction data as specified

1 in the Criminal Code of 2012;

2 (B) personal history and experience information,
3 including independent credit reports obtained from a
4 consumer reporting agency described in Section 603(p)
5 of the federal Fair Credit Reporting Act; and

6 (C) any other documents, information, or evidence
7 the Secretary deems relevant to the inquiry or
8 investigation, regardless of the location, possession,
9 control, or custody of the documents, information, or
10 evidence.

11 (2) For the purposes of investigating violations or
12 complaints arising under this Act or for the purposes of
13 examination, the Secretary may review, investigate, or
14 examine any covered person, affiliate, service provider,
15 individual, or person subject to this Act as often as
16 necessary in order to carry out the purposes of this Act.
17 The Secretary may direct, subpoena, or order the
18 attendance of and examine under oath all persons whose
19 testimony may be required about the transactions or the
20 business or subject matter of any such examination or
21 investigation, and may direct, subpoena, or order the
22 person to produce books, accounts, records, files, and any
23 other documents the Secretary deems relevant to the
24 inquiry.

25 (3) Each covered person, affiliate, service provider,
26 individual, or person subject to this Act shall make

1 available to the Secretary upon request the books and
2 records relating to the operations of the registrant,
3 affiliate, individual, or person subject to this Act. The
4 Secretary shall have access to those books and records and
5 interview the officers, principals, employees, independent
6 contractors, agents, and customers of the covered person,
7 affiliate, service provider, individual, or person subject
8 to this Act concerning their business.

9 (4) Each covered person, affiliate, service provider,
10 individual, or person subject to this Act shall make or
11 compile reports or prepare other information as directed
12 by the Secretary in order to carry out the purposes of this
13 Section, including, but not limited to:

14 (A) accounting compilations;

15 (B) information lists and data concerning
16 transactions in a format prescribed by the Secretary;
17 or

18 (C) other information deemed necessary to carry
19 out the purposes of this Section.

20 (5) In making any examination or investigation
21 authorized by this Act, the Secretary may control access
22 to any documents and records of the covered person or
23 person under examination or investigation. The Secretary
24 may take possession of the documents and records or place
25 a person in exclusive charge of the documents and records
26 in the place where they are usually kept. During the

1 period of control, no person shall remove or attempt to
2 remove any of the documents or records, except pursuant to
3 a court order or with the consent of the Secretary. Unless
4 the Secretary has reasonable grounds to believe the
5 documents or records of the covered person or person under
6 examination or investigation have been or are at risk of
7 being altered or destroyed for purposes of concealing a
8 violation of this Act, the covered person or owner of the
9 documents and records shall have access to the documents
10 or records as necessary to conduct its ordinary business
11 affairs.

12 (6) In order to carry out the purposes of this
13 Section, the Secretary may:

14 (A) retain attorneys, accountants, or other
15 professionals and specialists as examiners, auditors,
16 or investigators to conduct or assist in the conduct
17 of examinations or investigations;

18 (B) enter into agreements or relationships with
19 other government officials, regulatory associations,
20 or self-regulatory organizations in order to improve
21 efficiencies and reduce regulatory burden by sharing
22 resources, standardized or uniform methods or
23 procedures, and documents, records, information, or
24 evidence obtained under this Section;

25 (C) use, hire, contract, or employ public or
26 privately available analytical systems, methods, or

1 software to examine or investigate the covered person,
2 affiliate, service provider, individual, or person
3 subject to this Act;

4 (D) accept and rely on examination or
5 investigation reports made by other government
6 officials, within or outside this State; or

7 (E) accept audit reports made by an independent
8 certified public accountant for the covered person,
9 affiliate, service provider, individual, or person
10 subject to this Act in the course of that part of the
11 examination covering the same general subject matter
12 as the audit and may incorporate the audit report in
13 the report of the examination, report of
14 investigation, or other writing of the Secretary.

15 (7) The authority of this Section shall remain in
16 effect, whether such a covered person, affiliate, service
17 provider, individual, or person subject to this Act acts
18 or claims to act under any licensing or registration law
19 of this State or claims to act without the authority.

20 (8) No covered person, affiliate, service provider,
21 individual, or person subject to investigation or
22 examination under this Section may knowingly withhold,
23 abstract, remove, mutilate, destroy, or secrete any books,
24 records, computer records, or other information.

25 Section 20-50. Enforcement actions.

1 (a) As used in this Article, "enforcement action" means an
2 action including, but not limited to, all of the following:

3 (1) Suspending or revoking a registration under this
4 Act.

5 (2) Ordering a person to cease and desist from doing
6 digital asset business activity with or on behalf of a
7 resident.

8 (3) Requesting the court to appoint a receiver for the
9 assets of a person doing digital asset business activity
10 with or on behalf of a resident.

11 (4) Requesting the court to issue temporary,
12 preliminary, or permanent injunctive relief against a
13 person doing digital asset business activity with or on
14 behalf of a resident.

15 (5) Assessing a civil penalty under Section 20-70.

16 (6) Recovering on the security under Section 20-5 and
17 initiating a plan to distribute the proceeds for the
18 benefit of a resident injured by a violation of this Act,
19 or law of this State other than this Act that applies to
20 digital asset business activity with or on behalf of a
21 resident.

22 (7) Imposing necessary or appropriate conditions on
23 the conduct of digital asset business activity with or on
24 behalf of a resident.

25 (8) Seeking restitution on behalf of a resident if the
26 Department shows economic injury due to a violation of

1 this Act.

2 (b) The Department may enter into a consent order with a
3 person regarding an enforcement action.

4 (c) This Section does not provide a private right of
5 action to a resident, provided this Section does not preclude
6 an action by a resident to enforce rights under Article 5 or
7 subsection (a) of Section 120-5.

8 Section 20-55. Violations.

9 (a) The Department may take an enforcement action against
10 a covered person or any person otherwise subject to this Act in
11 any of the following instances:

12 (1) The covered person or person violates this Act, a
13 rule adopted or order issued under this Act, or a State or
14 federal law or regulation that applies to digital asset
15 business activity of the violator with or on behalf of a
16 resident.

17 (2) The covered person or person does not cooperate
18 with an examination or investigation by the Department,
19 fails to pay a fee, or fails to submit a report or
20 documentation.

21 (3) The covered person or person, in the conduct of
22 its digital asset business activity with or on behalf of a
23 resident, has engaged, is engaging, or is about to engage
24 in any of the following:

25 (A) An unsafe, unsound, or unlawful act or

1 practice.

2 (B) An unfair, deceptive, or abusive act or
3 practice.

4 (C) Fraud, misrepresentation, deceit, or
5 negligence.

6 (D) Misappropriation of fiat currency, a digital
7 asset, or other value.

8 (4) An agency of the United States or another state
9 takes an action against the covered person or person that
10 would constitute an enforcement action if the Department
11 had taken the action.

12 (5) The covered person or person is convicted of a
13 crime related to its digital asset business activity with
14 or on behalf of a resident or involving fraud or felonious
15 activity that, as determined by the Department, makes the
16 covered person or person unsuitable to engage in digital
17 asset business activity.

18 (6) Any of the following occurs:

19 (A) The covered person or person becomes
20 insolvent.

21 (B) The covered person or person makes a general
22 assignment for the benefit of its creditors.

23 (C) The covered person or person becomes the
24 debtor, alleged debtor, respondent, or person in a
25 similar capacity in a case or other proceeding under
26 any bankruptcy, reorganization, arrangement,

1 readjustment, insolvency, receivership, dissolution,
2 liquidation, or similar law, and does not obtain from
3 the court, within a reasonable time, confirmation of a
4 plan or dismissal of the case or proceeding.

5 (D) The covered person or person applies for, or
6 permits the appointment of, a receiver, trustee, or
7 other agent of a court for itself or for a substantial
8 part of its assets.

9 (7) The covered person or person makes a
10 misrepresentation to the Department.

11 (b) If the Secretary finds, as the result of examination,
12 investigation, or review of reports submitted by a registrant,
13 that the business and affairs of a registrant are not being
14 conducted in accordance with this Act, the Secretary may
15 notify the registrant of the correction necessary. If a
16 registrant fails to correct such violations, the Secretary may
17 issue an order requiring immediate correction and compliance
18 with this Act and may specify a reasonable date for
19 performance.

20 Section 20-60. Hearings.

21 (a) Except as provided in subsection (b), the Department
22 may take an enforcement action only after notice and
23 opportunity for a hearing as appropriate in the circumstances.
24 All hearings provided for in this Act shall be conducted in
25 accordance with Title 38, Part 100 of the Illinois

1 Administrative Code, and the Secretary shall have all the
2 powers granted therein.

3 (b) (1) (A) The Department may take an enforcement action,
4 other than the imposition of a civil penalty under Section
5 120-70, without notice if the circumstances require action
6 before notice can be given.

7 (B) A person subject to an enforcement action
8 pursuant to this subsection shall have the right to an
9 expedited post-action hearing by the Department unless
10 the person has waived the hearing.

11 (2) (A) The Department may take an enforcement action,
12 other than the imposition of a civil penalty under Section
13 120-70, after notice and without a prior hearing if the
14 circumstances require action before a hearing can be held.

15 (B) A person subject to an enforcement action
16 pursuant to this subsection shall have the right to an
17 expedited post-action hearing by the Department unless
18 the person has waived the hearing.

19 (3) The Department may take an enforcement action
20 after notice and without a hearing if the person subject
21 to the enforcement action does not timely request a
22 hearing.

23 Section 20-65. Hearing rules.

24 (a) The Department may, in accordance with the Illinois
25 Administrative Procedure Act, adopt rules to provide for

1 review within the Department of the Secretary's decisions
2 affecting the rights of persons or entities under this Act.

3 The review shall provide for, at a minimum:

4 (1) appointment of a hearing officer;

5 (2) appropriate procedural rules, specific deadlines
6 for filings, and standards of evidence and of proof; and

7 (3) provision for apportioning costs among parties to
8 the appeal.

9 (b) All final administrative decisions of the Department
10 under this Act, all amendments and modifications of final
11 administrative decisions, and any rules adopted by the
12 Department pursuant to this Act shall be subject to judicial
13 review pursuant to the provisions of the Administrative Review
14 Law.

15 Section 20-70. Civil penalties.

16 (a) If a person other than a registrant has engaged, is
17 engaging, or is about to engage in digital asset business
18 activity with or on behalf of a resident in violation of this
19 Act, the Department may assess a civil penalty against the
20 person in an amount not to exceed \$100,000 for each day the
21 person is in violation of this Act.

22 (b) If a person violates a provision of this Act, the
23 Department may assess a civil penalty in an amount not to
24 exceed \$25,000 for each day of violation or for each act or
25 omission in violation, except that a fine may be imposed not to

1 exceed \$75,000 for each day of violation or for each act or
2 omission in violation related to fraud, misrepresentation,
3 deceit, or negligence.

4 (c) A civil penalty under this Section continues to accrue
5 until the date the violation ceases.

6 (d) A civil penalty under this Section is cumulative to
7 any civil penalties enforceable by the Department under any
8 other law.

9 Section 20-75. Subpoena power.

10 (a) The Secretary shall have the power to issue and to
11 serve subpoenas and subpoenas duces tecum to compel the
12 attendance of witnesses and the production of all books,
13 accounts, records, and other documents and materials relevant
14 to an examination or investigation. The Secretary, or his or
15 her duly authorized representative, shall have power to
16 administer oaths and affirmations to any person.

17 (b) In the event of noncompliance with a subpoena or
18 subpoena duces tecum issued or caused to be issued by the
19 Secretary, the Secretary may, through the Attorney General or
20 the State's Attorney of the county in which the person
21 subpoenaed resides or has its principal place of business,
22 petition the circuit court of the county for an order
23 requiring the subpoenaed person to appear and testify and to
24 produce such books, accounts, records, and other documents as
25 are specified in the subpoena duces tecum. The court may grant

1 injunctive relief restraining the person from advertising,
2 promoting, soliciting, entering into, offering to enter into,
3 continuing, or completing any digital asset business activity.
4 The court may grant other relief, including, but not limited
5 to, the restraint, by injunction or appointment of a receiver,
6 of any transfer, pledge, assignment, or other disposition of
7 the person's assets or any concealment, alteration,
8 destruction, or other disposition of books, accounts, records,
9 or other documents and materials as the court deems
10 appropriate, until the person has fully complied with the
11 subpoena or subpoena duces tecum and the Secretary has
12 completed an investigation or examination.

13 (c) If it appears to the Secretary that the compliance
14 with a subpoena or subpoena duces tecum issued or caused to be
15 issued by the Secretary pursuant to this Section is essential
16 to an investigation or examination, the Secretary, in addition
17 to the other remedies provided for in this Act, may, through
18 the Attorney General or the State's Attorney of the county in
19 which the subpoenaed person resides or has its principal place
20 of business, apply for relief to the circuit court of the
21 county. The court shall thereupon direct the issuance of an
22 order against the subpoenaed person requiring sufficient bond
23 conditioned on compliance with the subpoena or subpoena duces
24 tecum. The court shall cause to be endorsed on the order a
25 suitable amount of bond or payment pursuant to which the
26 person named in the order shall be freed, having a due regard

1 to the nature of the case.

2 (d) In addition, the Secretary may, through the Attorney
3 General or the State's Attorney of the applicable county, seek
4 a writ of attachment or an equivalent order from the circuit
5 court having jurisdiction over the person who has refused to
6 obey a subpoena, who has refused to give testimony, or who has
7 refused to produce the matters described in the subpoena duces
8 tecum.

9 Section 20-80. Civil actions.

10 (a) The Department may bring a civil action in accordance
11 with the following:

12 (1) If a person violates any provision of this Act, a
13 rule or final order, or condition imposed in writing by
14 the Department, the Department through the Attorney
15 General or the State's Attorney of the county in which any
16 such violation occurs may bring an action in the circuit
17 court to enjoin the acts or practices or to enforce
18 compliance with this Act or any rule or order adopted
19 pursuant to this Act. Upon a proper showing, a permanent
20 or preliminary injunction, restraining order, or writ of
21 mandate shall be granted and a receiver, monitor,
22 conservator, or other designated fiduciary or officer of
23 the court may be appointed for the defendant or the
24 defendant's assets, or any other ancillary relief may be
25 granted as appropriate. A receiver, monitor, conservator,

1 or other designated fiduciary or officer of the court
2 appointed by the circuit court pursuant to this Section
3 may, with the approval of the court, exercise any or all of
4 the powers of the defendant's officers, directors,
5 partners, trustees, or persons who exercise similar powers
6 and perform similar duties, including the filing of a
7 petition for bankruptcy. No action at law or in equity may
8 be maintained by any party against the Secretary, a
9 receiver, monitor, conservator, or other designated
10 fiduciary or officer of the court, by reason of their
11 exercising these powers or performing these duties
12 pursuant to the order of, or with the approval of, the
13 circuit court.

14 (2) The Secretary may include in any action relief
15 authorized by Section 20-50. The circuit court shall have
16 jurisdiction to award additional relief.

17 (3) In any action brought by the Department, the
18 Department may recover its costs and attorney's fees in
19 connection with prosecuting the action if the Department
20 is the prevailing party in the action.

21 (b) The Attorney General may enforce a violation of
22 Article 105 as an unlawful practice under the Consumer Fraud
23 and Deceptive Business Practices Act.

24 (c) A claim of violation of Article 5 may be asserted in a
25 civil action. Additionally, a prevailing resident may be
26 awarded reasonable attorney's fees and court costs.

1 Article 30. Additional Procedural Provisions

2 Section 30-5. Confidential supervisory information.

3 (a) Confidential supervisory information shall, unless
4 made a matter of public record, not be subject to disclosure
5 under the Freedom of Information Act, and shall only be
6 subject to disclosure pursuant to subpoena or court order as
7 provided in subsection (e).

8 (b) All records of communications or summaries of
9 communications between employees, agents, or representatives
10 of the Department and employees, agents, or representatives of
11 other governmental agencies, a provider of any multistate
12 licensing system, or associations or organizations
13 representing federal, state, or local law enforcement or
14 regulatory agencies or providers of any multistate licensing
15 system, pursuant to any regulatory or supervision activity
16 under this Act (1) shall not be subject to disclosure under the
17 Freedom of Information Act, and (2) to the extent the records
18 contain confidential supervisory information, shall only be
19 subject to disclosure pursuant to subpoena or court order as
20 provided in subsection (e).

21 (c) All confidential supervisory information received from
22 other governmental agencies, a multistate licensing system
23 provider, or associations or organizations consisting of
24 employees, agents, or representatives of such agencies or

1 providers, shall not be subject to disclosure under the
2 Freedom of Information Act, and only subject to disclosure
3 pursuant to subpoena or court order as provided in subsection
4 (e).

5 (d) The sharing of any confidential supervisory
6 information under this Act with governmental agencies,
7 providers of any multistate licensing system, or associations
8 or organizations consisting of employees, agents, or
9 representatives of such federal, state, or local law
10 enforcement or regulatory agencies, shall not result in the
11 loss of privilege arising under federal or state law, or the
12 loss of confidentiality protections provided by federal law or
13 state law, and are only subject to disclosure pursuant to
14 subpoena or court order as provided in subsection (e).

15 (e) Confidential supervisory information may not be
16 disclosed to anyone other than the regulated person, law
17 enforcement officials or other regulatory agencies that have
18 an appropriate regulatory interest as determined by the
19 Secretary, or to a party presenting a lawful subpoena, order,
20 or other judicial or administrative process to the Secretary.
21 The Secretary may immediately appeal to the court of
22 jurisdiction the disclosure of such confidential supervisory
23 information and seek a stay of the subpoena pending the
24 outcome of the appeal. Reports required of regulated persons
25 by the Secretary under this Act and results of examinations
26 performed by the Secretary under this Act shall be the

1 property of only the Secretary but may be shared with the
2 regulated person. Access under this Act to the books and
3 records of each regulated person shall be limited to the
4 Secretary and his agents as provided in this Act and to the
5 regulated person and its authorized agents and designees. No
6 other person shall have access to the books and records of a
7 regulated person under this Act. Any person upon whom a demand
8 for production of confidential supervisory information is
9 made, whether by subpoena, order, or other judicial or
10 administrative process, must withhold production of the
11 confidential supervisory information and must notify the
12 Secretary of the demand, at which time the Secretary is
13 authorized to intervene for the purpose of enforcing the
14 limitations of this Section or seeking the withdrawal or
15 termination of the attempt to compel production of the
16 confidential supervisory information. The Secretary may impose
17 any conditions and limitations on the disclosure of
18 confidential supervisory information that are necessary to
19 protect the confidentiality of such information. Except as
20 authorized by the Secretary, no person obtaining access to
21 confidential supervisory information may make a copy of the
22 confidential supervisory information. The Secretary may
23 condition a decision to disclose confidential supervisory
24 information on entry of a protective order by the court or
25 administrative tribunal presiding in the particular case or on
26 a written agreement of confidentiality. In a case in which a

1 protective order or agreement has already been entered between
2 parties other than the Secretary, the Secretary may
3 nevertheless condition approval for release of confidential
4 supervisory information upon the inclusion of additional or
5 amended provisions in the protective order. The Secretary may
6 authorize a party who obtained the records for use in one case
7 to provide them to another party in another case, subject to
8 any conditions that the Secretary may impose on either or both
9 parties. The requester shall promptly notify other parties to
10 a case of the release of confidential supervisory information
11 obtained and, upon entry of a protective order, shall provide
12 copies of confidential supervisory information to the other
13 parties.

14 (f) The Secretary is authorized to enter agreements or
15 sharing arrangements with other governmental agencies,
16 providers of any multistate licensing system, or associations
17 or organizations representing governmental agencies or
18 providers of any multistate licensing system. Notwithstanding
19 the foregoing, the provisions of this Section shall apply
20 regardless of the existence of any such agreement or sharing
21 arrangement.

22 (g) This Section in no way limits any right, privilege, or
23 authority that the Department has pursuant to any other
24 applicable law. This Section does not in any way limit any
25 privilege arising under federal or state law or other
26 exemption from disclosure pursuant to the Freedom of

1 Information Act.

2 (h) Notwithstanding the foregoing, whenever the Secretary
3 determines, in his or her sole discretion, that it is in the
4 public's interest, he or she may publicly disclose information
5 or documents obtained under this Act, unless otherwise
6 prohibited by law.

7 Section 30-10. Additional rulemaking authority.

8 (a) In addition to such powers and rulemaking authority as
9 may be prescribed elsewhere in this Act or other financial
10 laws administered by the Department, the Department is hereby
11 authorized and empowered to adopt rules consistent with the
12 purposes of this Act, including, but not limited to:

13 (1) rules in connection with the activities of covered
14 persons, affiliates, and service providers as may be
15 necessary and appropriate for the protection of residents;

16 (2) rules to define the terms used in this Act and as
17 may be necessary and appropriate to interpret and
18 implement the provisions of this Act;

19 (3) rules as may be necessary for the administration
20 and enforcement of this Act;

21 (4) rules to set and collect fees necessary to
22 administer and enforce this Act;

23 (5) rules in connection with the activities of covered
24 persons, affiliates, and service providers as may be
25 necessary and appropriate for the safety and soundness of

1 such covered persons and affiliates and the stability of
2 the financial system in this State.

3 (b) The Secretary is hereby authorized and empowered to
4 make specific rulings, demands, and findings that he or she
5 deems necessary for the proper conduct of the registrants and
6 affiliates thereof.

7 Article 135. Miscellaneous Provisions

8 Section 35-5. No evasion.

9 (a) It shall be unlawful to engage in any device, 4
10 subterfuge, or pretense to willfully evade or attempt to evade
11 the requirements of this Act or any rule or order issued by the
12 6 Department hereunder.

13 (b) Any financial product, service, or transaction that is
14 willfully structured to evade or attempt to evade the
15 definitions of digital asset or digital asset business
16 activity is a digital asset or digital asset business
17 activity, respectively, for purposes of this Act.

18 Section 35-10. Construction; severability.

19 (a) The provisions of this Act shall be liberally
20 construed to effectuate its purposes.

21 (b) The provisions of this Act are severable under Section
22 1.31 of the Statute on Statutes.

23 (c) To the extent that any provision of this Act is

1 preempted by federal law, the provision shall not apply and
2 shall not be enforced solely as to the extent of the preemption
3 and not as to other circumstances, persons, or applications.

4 Section 35-15. Transition period.

5 (a) A covered person engaging in digital asset business
6 activity without a registration under this Act shall not be
7 considered in violation of Section 15-5 or 5-25 until July 1,
8 2026.

9 (b) A covered person engaging in digital asset business
10 activity shall not be considered in violation of Sections 5-5,
11 5-10, and 5-20 until January 1, 2026.

12 (c) A covered exchange shall not be considered in
13 violation of Section 5-15 until January 1, 2026.

14 (d) Notwithstanding the foregoing, the Department may
15 adopt rules pursuant to this Act upon this Act becoming law
16 with such rules not to take effect earlier than January 1,
17 2025.

18 Article 900. Amendatory provisions

19 Section 900-5. The Freedom of Information Act is amended
20 by changing Section 7.5 as follows:

21 (5 ILCS 140/7.5)

22 (Text of Section before amendment by P.A. 103-472)

23 Sec. 7.5. Statutory exemptions. To the extent provided for

1 by the statutes referenced below, the following shall be
2 exempt from inspection and copying:

3 (a) All information determined to be confidential
4 under Section 4002 of the Technology Advancement and
5 Development Act.

6 (b) Library circulation and order records identifying
7 library users with specific materials under the Library
8 Records Confidentiality Act.

9 (c) Applications, related documents, and medical
10 records received by the Experimental Organ Transplantation
11 Procedures Board and any and all documents or other
12 records prepared by the Experimental Organ Transplantation
13 Procedures Board or its staff relating to applications it
14 has received.

15 (d) Information and records held by the Department of
16 Public Health and its authorized representatives relating
17 to known or suspected cases of sexually transmissible
18 disease or any information the disclosure of which is
19 restricted under the Illinois Sexually Transmissible
20 Disease Control Act.

21 (e) Information the disclosure of which is exempted
22 under Section 30 of the Radon Industry Licensing Act.

23 (f) Firm performance evaluations under Section 55 of
24 the Architectural, Engineering, and Land Surveying
25 Qualifications Based Selection Act.

26 (g) Information the disclosure of which is restricted

1 and exempted under Section 50 of the Illinois Prepaid
2 Tuition Act.

3 (h) Information the disclosure of which is exempted
4 under the State Officials and Employees Ethics Act, and
5 records of any lawfully created State or local inspector
6 general's office that would be exempt if created or
7 obtained by an Executive Inspector General's office under
8 that Act.

9 (i) Information contained in a local emergency energy
10 plan submitted to a municipality in accordance with a
11 local emergency energy plan ordinance that is adopted
12 under Section 11-21.5-5 of the Illinois Municipal Code.

13 (j) Information and data concerning the distribution
14 of surcharge moneys collected and remitted by carriers
15 under the Emergency Telephone System Act.

16 (k) Law enforcement officer identification information
17 or driver identification information compiled by a law
18 enforcement agency or the Department of Transportation
19 under Section 11-212 of the Illinois Vehicle Code.

20 (l) Records and information provided to a residential
21 health care facility resident sexual assault and death
22 review team or the Executive Council under the Abuse
23 Prevention Review Team Act.

24 (m) Information provided to the predatory lending
25 database created pursuant to Article 3 of the Residential
26 Real Property Disclosure Act, except to the extent

1 authorized under that Article.

2 (n) Defense budgets and petitions for certification of
3 compensation and expenses for court appointed trial
4 counsel as provided under Sections 10 and 15 of the
5 Capital Crimes Litigation Act (repealed). This subsection
6 (n) shall apply until the conclusion of the trial of the
7 case, even if the prosecution chooses not to pursue the
8 death penalty prior to trial or sentencing.

9 (o) Information that is prohibited from being
10 disclosed under Section 4 of the Illinois Health and
11 Hazardous Substances Registry Act.

12 (p) Security portions of system safety program plans,
13 investigation reports, surveys, schedules, lists, data, or
14 information compiled, collected, or prepared by or for the
15 Department of Transportation under Sections 2705-300 and
16 2705-616 of the Department of Transportation Law of the
17 Civil Administrative Code of Illinois, the Regional
18 Transportation Authority under Section 2.11 of the
19 Regional Transportation Authority Act, or the St. Clair
20 County Transit District under the Bi-State Transit Safety
21 Act (repealed).

22 (q) Information prohibited from being disclosed by the
23 Personnel Record Review Act.

24 (r) Information prohibited from being disclosed by the
25 Illinois School Student Records Act.

26 (s) Information the disclosure of which is restricted

1 under Section 5-108 of the Public Utilities Act.

2 (t) (Blank).

3 (u) Records and information provided to an independent
4 team of experts under the Developmental Disability and
5 Mental Health Safety Act (also known as Brian's Law).

6 (v) Names and information of people who have applied
7 for or received Firearm Owner's Identification Cards under
8 the Firearm Owners Identification Card Act or applied for
9 or received a concealed carry license under the Firearm
10 Concealed Carry Act, unless otherwise authorized by the
11 Firearm Concealed Carry Act; and databases under the
12 Firearm Concealed Carry Act, records of the Concealed
13 Carry Licensing Review Board under the Firearm Concealed
14 Carry Act, and law enforcement agency objections under the
15 Firearm Concealed Carry Act.

16 (v-5) Records of the Firearm Owner's Identification
17 Card Review Board that are exempted from disclosure under
18 Section 10 of the Firearm Owners Identification Card Act.

19 (w) Personally identifiable information which is
20 exempted from disclosure under subsection (g) of Section
21 19.1 of the Toll Highway Act.

22 (x) Information which is exempted from disclosure
23 under Section 5-1014.3 of the Counties Code or Section
24 8-11-21 of the Illinois Municipal Code.

25 (y) Confidential information under the Adult
26 Protective Services Act and its predecessor enabling

1 statute, the Elder Abuse and Neglect Act, including
2 information about the identity and administrative finding
3 against any caregiver of a verified and substantiated
4 decision of abuse, neglect, or financial exploitation of
5 an eligible adult maintained in the Registry established
6 under Section 7.5 of the Adult Protective Services Act.

7 (z) Records and information provided to a fatality
8 review team or the Illinois Fatality Review Team Advisory
9 Council under Section 15 of the Adult Protective Services
10 Act.

11 (aa) Information which is exempted from disclosure
12 under Section 2.37 of the Wildlife Code.

13 (bb) Information which is or was prohibited from
14 disclosure by the Juvenile Court Act of 1987.

15 (cc) Recordings made under the Law Enforcement
16 Officer-Worn Body Camera Act, except to the extent
17 authorized under that Act.

18 (dd) Information that is prohibited from being
19 disclosed under Section 45 of the Condominium and Common
20 Interest Community Ombudsperson Act.

21 (ee) Information that is exempted from disclosure
22 under Section 30.1 of the Pharmacy Practice Act.

23 (ff) Information that is exempted from disclosure
24 under the Revised Uniform Unclaimed Property Act.

25 (gg) Information that is prohibited from being
26 disclosed under Section 7-603.5 of the Illinois Vehicle

1 Code.

2 (hh) Records that are exempt from disclosure under
3 Section 1A-16.7 of the Election Code.

4 (ii) Information which is exempted from disclosure
5 under Section 2505-800 of the Department of Revenue Law of
6 the Civil Administrative Code of Illinois.

7 (jj) Information and reports that are required to be
8 submitted to the Department of Labor by registering day
9 and temporary labor service agencies but are exempt from
10 disclosure under subsection (a-1) of Section 45 of the Day
11 and Temporary Labor Services Act.

12 (kk) Information prohibited from disclosure under the
13 Seizure and Forfeiture Reporting Act.

14 (ll) Information the disclosure of which is restricted
15 and exempted under Section 5-30.8 of the Illinois Public
16 Aid Code.

17 (mm) Records that are exempt from disclosure under
18 Section 4.2 of the Crime Victims Compensation Act.

19 (nn) Information that is exempt from disclosure under
20 Section 70 of the Higher Education Student Assistance Act.

21 (oo) Communications, notes, records, and reports
22 arising out of a peer support counseling session
23 prohibited from disclosure under the First Responders
24 Suicide Prevention Act.

25 (pp) Names and all identifying information relating to
26 an employee of an emergency services provider or law

1 enforcement agency under the First Responders Suicide
2 Prevention Act.

3 (qq) Information and records held by the Department of
4 Public Health and its authorized representatives collected
5 under the Reproductive Health Act.

6 (rr) Information that is exempt from disclosure under
7 the Cannabis Regulation and Tax Act.

8 (ss) Data reported by an employer to the Department of
9 Human Rights pursuant to Section 2-108 of the Illinois
10 Human Rights Act.

11 (tt) Recordings made under the Children's Advocacy
12 Center Act, except to the extent authorized under that
13 Act.

14 (uu) Information that is exempt from disclosure under
15 Section 50 of the Sexual Assault Evidence Submission Act.

16 (vv) Information that is exempt from disclosure under
17 subsections (f) and (j) of Section 5-36 of the Illinois
18 Public Aid Code.

19 (ww) Information that is exempt from disclosure under
20 Section 16.8 of the State Treasurer Act.

21 (xx) Information that is exempt from disclosure or
22 information that shall not be made public under the
23 Illinois Insurance Code.

24 (yy) Information prohibited from being disclosed under
25 the Illinois Educational Labor Relations Act.

26 (zz) Information prohibited from being disclosed under

1 the Illinois Public Labor Relations Act.

2 (aaa) Information prohibited from being disclosed
3 under Section 1-167 of the Illinois Pension Code.

4 (bbb) Information that is prohibited from disclosure
5 by the Illinois Police Training Act and the Illinois State
6 Police Act.

7 (ccc) Records exempt from disclosure under Section
8 2605-304 of the Illinois State Police Law of the Civil
9 Administrative Code of Illinois.

10 (ddd) Information prohibited from being disclosed
11 under Section 35 of the Address Confidentiality for
12 Victims of Domestic Violence, Sexual Assault, Human
13 Trafficking, or Stalking Act.

14 (eee) Information prohibited from being disclosed
15 under subsection (b) of Section 75 of the Domestic
16 Violence Fatality Review Act.

17 (fff) Images from cameras under the Expressway Camera
18 Act. This subsection (fff) is inoperative on and after
19 July 1, 2025.

20 (ggg) Information prohibited from disclosure under
21 paragraph (3) of subsection (a) of Section 14 of the Nurse
22 Agency Licensing Act.

23 (hhh) Information submitted to the Illinois State
24 Police in an affidavit or application for an assault
25 weapon endorsement, assault weapon attachment endorsement,
26 .50 caliber rifle endorsement, or .50 caliber cartridge

1 endorsement under the Firearm Owners Identification Card
2 Act.

3 (iii) Data exempt from disclosure under Section 50 of
4 the School Safety Drill Act.

5 (jjj) ~~(hhh)~~ Information exempt from disclosure under
6 Section 30 of the Insurance Data Security Law.

7 (kkk) ~~(iii)~~ Confidential business information
8 prohibited from disclosure under Section 45 of the Paint
9 Stewardship Act.

10 (lll) (Reserved).

11 (mmm) ~~(iii)~~ Information prohibited from being
12 disclosed under subsection (e) of Section 1-129 of the
13 Illinois Power Agency Act.

14 (nnn) Data exempt from disclosure under Section 50 of
15 the School Safety Drill Act.

16 (ooo) Information prohibited from being disclosed
17 under Section 30-5 of the Digital Assets Regulation Act.

18 (Source: P.A. 102-36, eff. 6-25-21; 102-237, eff. 1-1-22;
19 102-292, eff. 1-1-22; 102-520, eff. 8-20-21; 102-559, eff.
20 8-20-21; 102-813, eff. 5-13-22; 102-946, eff. 7-1-22;
21 102-1042, eff. 6-3-22; 102-1116, eff. 1-10-23; 103-8, eff.
22 6-7-23; 103-34, eff. 6-9-23; 103-142, eff. 1-1-24; 103-372,
23 eff. 1-1-24; 103-508, eff. 8-4-23; 103-580, eff. 12-8-23;
24 revised 1-2-24.)

25 (Text of Section after amendment by P.A. 103-472)

1 Sec. 7.5. Statutory exemptions. To the extent provided for
2 by the statutes referenced below, the following shall be
3 exempt from inspection and copying:

4 (a) All information determined to be confidential
5 under Section 4002 of the Technology Advancement and
6 Development Act.

7 (b) Library circulation and order records identifying
8 library users with specific materials under the Library
9 Records Confidentiality Act.

10 (c) Applications, related documents, and medical
11 records received by the Experimental Organ Transplantation
12 Procedures Board and any and all documents or other
13 records prepared by the Experimental Organ Transplantation
14 Procedures Board or its staff relating to applications it
15 has received.

16 (d) Information and records held by the Department of
17 Public Health and its authorized representatives relating
18 to known or suspected cases of sexually transmissible
19 disease or any information the disclosure of which is
20 restricted under the Illinois Sexually Transmissible
21 Disease Control Act.

22 (e) Information the disclosure of which is exempted
23 under Section 30 of the Radon Industry Licensing Act.

24 (f) Firm performance evaluations under Section 55 of
25 the Architectural, Engineering, and Land Surveying
26 Qualifications Based Selection Act.

1 (g) Information the disclosure of which is restricted
2 and exempted under Section 50 of the Illinois Prepaid
3 Tuition Act.

4 (h) Information the disclosure of which is exempted
5 under the State Officials and Employees Ethics Act, and
6 records of any lawfully created State or local inspector
7 general's office that would be exempt if created or
8 obtained by an Executive Inspector General's office under
9 that Act.

10 (i) Information contained in a local emergency energy
11 plan submitted to a municipality in accordance with a
12 local emergency energy plan ordinance that is adopted
13 under Section 11-21.5-5 of the Illinois Municipal Code.

14 (j) Information and data concerning the distribution
15 of surcharge moneys collected and remitted by carriers
16 under the Emergency Telephone System Act.

17 (k) Law enforcement officer identification information
18 or driver identification information compiled by a law
19 enforcement agency or the Department of Transportation
20 under Section 11-212 of the Illinois Vehicle Code.

21 (l) Records and information provided to a residential
22 health care facility resident sexual assault and death
23 review team or the Executive Council under the Abuse
24 Prevention Review Team Act.

25 (m) Information provided to the predatory lending
26 database created pursuant to Article 3 of the Residential

1 Real Property Disclosure Act, except to the extent
2 authorized under that Article.

3 (n) Defense budgets and petitions for certification of
4 compensation and expenses for court appointed trial
5 counsel as provided under Sections 10 and 15 of the
6 Capital Crimes Litigation Act (repealed). This subsection
7 (n) shall apply until the conclusion of the trial of the
8 case, even if the prosecution chooses not to pursue the
9 death penalty prior to trial or sentencing.

10 (o) Information that is prohibited from being
11 disclosed under Section 4 of the Illinois Health and
12 Hazardous Substances Registry Act.

13 (p) Security portions of system safety program plans,
14 investigation reports, surveys, schedules, lists, data, or
15 information compiled, collected, or prepared by or for the
16 Department of Transportation under Sections 2705-300 and
17 2705-616 of the Department of Transportation Law of the
18 Civil Administrative Code of Illinois, the Regional
19 Transportation Authority under Section 2.11 of the
20 Regional Transportation Authority Act, or the St. Clair
21 County Transit District under the Bi-State Transit Safety
22 Act (repealed).

23 (q) Information prohibited from being disclosed by the
24 Personnel Record Review Act.

25 (r) Information prohibited from being disclosed by the
26 Illinois School Student Records Act.

1 (s) Information the disclosure of which is restricted
2 under Section 5-108 of the Public Utilities Act.

3 (t) (Blank).

4 (u) Records and information provided to an independent
5 team of experts under the Developmental Disability and
6 Mental Health Safety Act (also known as Brian's Law).

7 (v) Names and information of people who have applied
8 for or received Firearm Owner's Identification Cards under
9 the Firearm Owners Identification Card Act or applied for
10 or received a concealed carry license under the Firearm
11 Concealed Carry Act, unless otherwise authorized by the
12 Firearm Concealed Carry Act; and databases under the
13 Firearm Concealed Carry Act, records of the Concealed
14 Carry Licensing Review Board under the Firearm Concealed
15 Carry Act, and law enforcement agency objections under the
16 Firearm Concealed Carry Act.

17 (v-5) Records of the Firearm Owner's Identification
18 Card Review Board that are exempted from disclosure under
19 Section 10 of the Firearm Owners Identification Card Act.

20 (w) Personally identifiable information which is
21 exempted from disclosure under subsection (g) of Section
22 19.1 of the Toll Highway Act.

23 (x) Information which is exempted from disclosure
24 under Section 5-1014.3 of the Counties Code or Section
25 8-11-21 of the Illinois Municipal Code.

26 (y) Confidential information under the Adult

1 Protective Services Act and its predecessor enabling
2 statute, the Elder Abuse and Neglect Act, including
3 information about the identity and administrative finding
4 against any caregiver of a verified and substantiated
5 decision of abuse, neglect, or financial exploitation of
6 an eligible adult maintained in the Registry established
7 under Section 7.5 of the Adult Protective Services Act.

8 (z) Records and information provided to a fatality
9 review team or the Illinois Fatality Review Team Advisory
10 Council under Section 15 of the Adult Protective Services
11 Act.

12 (aa) Information which is exempted from disclosure
13 under Section 2.37 of the Wildlife Code.

14 (bb) Information which is or was prohibited from
15 disclosure by the Juvenile Court Act of 1987.

16 (cc) Recordings made under the Law Enforcement
17 Officer-Worn Body Camera Act, except to the extent
18 authorized under that Act.

19 (dd) Information that is prohibited from being
20 disclosed under Section 45 of the Condominium and Common
21 Interest Community Ombudsperson Act.

22 (ee) Information that is exempted from disclosure
23 under Section 30.1 of the Pharmacy Practice Act.

24 (ff) Information that is exempted from disclosure
25 under the Revised Uniform Unclaimed Property Act.

26 (gg) Information that is prohibited from being

1 disclosed under Section 7-603.5 of the Illinois Vehicle
2 Code.

3 (hh) Records that are exempt from disclosure under
4 Section 1A-16.7 of the Election Code.

5 (ii) Information which is exempted from disclosure
6 under Section 2505-800 of the Department of Revenue Law of
7 the Civil Administrative Code of Illinois.

8 (jj) Information and reports that are required to be
9 submitted to the Department of Labor by registering day
10 and temporary labor service agencies but are exempt from
11 disclosure under subsection (a-1) of Section 45 of the Day
12 and Temporary Labor Services Act.

13 (kk) Information prohibited from disclosure under the
14 Seizure and Forfeiture Reporting Act.

15 (ll) Information the disclosure of which is restricted
16 and exempted under Section 5-30.8 of the Illinois Public
17 Aid Code.

18 (mm) Records that are exempt from disclosure under
19 Section 4.2 of the Crime Victims Compensation Act.

20 (nn) Information that is exempt from disclosure under
21 Section 70 of the Higher Education Student Assistance Act.

22 (oo) Communications, notes, records, and reports
23 arising out of a peer support counseling session
24 prohibited from disclosure under the First Responders
25 Suicide Prevention Act.

26 (pp) Names and all identifying information relating to

1 an employee of an emergency services provider or law
2 enforcement agency under the First Responders Suicide
3 Prevention Act.

4 (qq) Information and records held by the Department of
5 Public Health and its authorized representatives collected
6 under the Reproductive Health Act.

7 (rr) Information that is exempt from disclosure under
8 the Cannabis Regulation and Tax Act.

9 (ss) Data reported by an employer to the Department of
10 Human Rights pursuant to Section 2-108 of the Illinois
11 Human Rights Act.

12 (tt) Recordings made under the Children's Advocacy
13 Center Act, except to the extent authorized under that
14 Act.

15 (uu) Information that is exempt from disclosure under
16 Section 50 of the Sexual Assault Evidence Submission Act.

17 (vv) Information that is exempt from disclosure under
18 subsections (f) and (j) of Section 5-36 of the Illinois
19 Public Aid Code.

20 (ww) Information that is exempt from disclosure under
21 Section 16.8 of the State Treasurer Act.

22 (xx) Information that is exempt from disclosure or
23 information that shall not be made public under the
24 Illinois Insurance Code.

25 (yy) Information prohibited from being disclosed under
26 the Illinois Educational Labor Relations Act.

1 (zz) Information prohibited from being disclosed under
2 the Illinois Public Labor Relations Act.

3 (aaa) Information prohibited from being disclosed
4 under Section 1-167 of the Illinois Pension Code.

5 (bbb) Information that is prohibited from disclosure
6 by the Illinois Police Training Act and the Illinois State
7 Police Act.

8 (ccc) Records exempt from disclosure under Section
9 2605-304 of the Illinois State Police Law of the Civil
10 Administrative Code of Illinois.

11 (ddd) Information prohibited from being disclosed
12 under Section 35 of the Address Confidentiality for
13 Victims of Domestic Violence, Sexual Assault, Human
14 Trafficking, or Stalking Act.

15 (eee) Information prohibited from being disclosed
16 under subsection (b) of Section 75 of the Domestic
17 Violence Fatality Review Act.

18 (fff) Images from cameras under the Expressway Camera
19 Act. This subsection (fff) is inoperative on and after
20 July 1, 2025.

21 (ggg) Information prohibited from disclosure under
22 paragraph (3) of subsection (a) of Section 14 of the Nurse
23 Agency Licensing Act.

24 (hhh) Information submitted to the Illinois State
25 Police in an affidavit or application for an assault
26 weapon endorsement, assault weapon attachment endorsement,

1 .50 caliber rifle endorsement, or .50 caliber cartridge
2 endorsement under the Firearm Owners Identification Card
3 Act.

4 (iii) Data exempt from disclosure under Section 50 of
5 the School Safety Drill Act.

6 (jjj) ~~(hhh)~~ Information exempt from disclosure under
7 Section 30 of the Insurance Data Security Law.

8 (kkk) ~~(iii)~~ Confidential business information
9 prohibited from disclosure under Section 45 of the Paint
10 Stewardship Act.

11 (lll) ~~(iii)~~ Data exempt from disclosure under Section
12 2-3.196 of the School Code.

13 (mmm) ~~(iii)~~ Information prohibited from being
14 disclosed under subsection (e) of Section 1-129 of the
15 Illinois Power Agency Act.

16 (nnn) Data exempt from disclosure under Section 50 of
17 the School Safety Drill Act.

18 (ooo) Information prohibited from being disclosed
19 under Section 30-5 of the Digital Assets Regulation Act.

20 (Source: P.A. 102-36, eff. 6-25-21; 102-237, eff. 1-1-22;
21 102-292, eff. 1-1-22; 102-520, eff. 8-20-21; 102-559, eff.
22 8-20-21; 102-813, eff. 5-13-22; 102-946, eff. 7-1-22;
23 102-1042, eff. 6-3-22; 102-1116, eff. 1-10-23; 103-8, eff.
24 6-7-23; 103-34, eff. 6-9-23; 103-142, eff. 1-1-24; 103-372,
25 eff. 1-1-24; 103-472, eff. 8-1-24; 103-508, eff. 8-4-23;
26 103-580, eff. 12-8-23; revised 1-2-24.)

1 Section 900-10. The State Finance Act is amended by adding
2 Section 5.1015 as follows:

3 (30 ILCS 105/5.1015 new)

4 Sec. 5.1015. The Consumer Protection Fund.

5 Section 900-15. The Illinois Banking Act is amended by
6 changing Sections 2 and 30 as follows:

7 (205 ILCS 5/2) (from Ch. 17, par. 302)

8 Sec. 2. General definitions. In this Act, unless the
9 context otherwise requires, the following words and phrases
10 shall have the following meanings:

11 "Accommodation party" shall have the meaning ascribed to
12 that term in Section 3-419 of the Uniform Commercial Code.

13 "Action" in the sense of a judicial proceeding includes
14 recoupments, counterclaims, set-off, and any other proceeding
15 in which rights are determined.

16 "Affiliate facility" of a bank means a main banking
17 premises or branch of another commonly owned bank. The main
18 banking premises or any branch of a bank may be an "affiliate
19 facility" with respect to one or more other commonly owned
20 banks.

21 "Appropriate federal banking agency" means the Federal
22 Deposit Insurance Corporation, the Federal Reserve Bank of

1 Chicago, or the Federal Reserve Bank of St. Louis, as
2 determined by federal law.

3 "Bank" means any person doing a banking business whether
4 subject to the laws of this or any other jurisdiction.

5 A "banking house", "branch", "branch bank" or "branch
6 office" shall mean any place of business of a bank at which
7 deposits are received, checks paid, or loans made, but shall
8 not include any place at which only records thereof are made,
9 posted, or kept. A place of business at which deposits are
10 received, checks paid, or loans made shall not be deemed to be
11 a branch, branch bank, or branch office if the place of
12 business is adjacent to and connected with the main banking
13 premises, or if it is separated from the main banking premises
14 by not more than an alley; provided always that (i) if the
15 place of business is separated by an alley from the main
16 banking premises there is a connection between the two by
17 public or private way or by subterranean or overhead passage,
18 and (ii) if the place of business is in a building not wholly
19 occupied by the bank, the place of business shall not be within
20 any office or room in which any other business or service of
21 any kind or nature other than the business of the bank is
22 conducted or carried on. A place of business at which deposits
23 are received, checks paid, or loans made shall not be deemed to
24 be a branch, branch bank, or branch office (i) of any bank if
25 the place is a terminal established and maintained in
26 accordance with paragraph (17) of Section 5 of this Act, or

1 (ii) of a commonly owned bank by virtue of transactions
2 conducted at that place on behalf of the other commonly owned
3 bank under paragraph (23) of Section 5 of this Act if the place
4 is an affiliate facility with respect to the other bank.

5 "Branch of an out-of-state bank" means a branch
6 established or maintained in Illinois by an out-of-state bank
7 as a result of a merger between an Illinois bank and the
8 out-of-state bank that occurs on or after May 31, 1997, or any
9 branch established by the out-of-state bank following the
10 merger.

11 "Bylaws" means the bylaws of a bank that are adopted by the
12 bank's board of directors or shareholders for the regulation
13 and management of the bank's affairs. If the bank operates as a
14 limited liability company, however, "bylaws" means the
15 operating agreement of the bank.

16 "Call report fee" means the fee to be paid to the
17 Commissioner by each State bank pursuant to paragraph (a) of
18 subsection (3) of Section 48 of this Act.

19 "Capital" includes the aggregate of outstanding capital
20 stock and preferred stock.

21 "Cash flow reserve account" means the account within the
22 books and records of the Commissioner of Banks and Real Estate
23 used to record funds designated to maintain a reasonable Bank
24 and Trust Company Fund operating balance to meet agency
25 obligations on a timely basis.

26 "Charter" includes the original charter and all amendments

1 thereto and articles of merger or consolidation.

2 "Commissioner" means the Commissioner of Banks and Real
3 Estate, except that beginning on April 6, 2009 (the effective
4 date of Public Act 95-1047), all references in this Act to the
5 Commissioner of Banks and Real Estate are deemed, in
6 appropriate contexts, to be references to the Secretary of
7 Financial and Professional Regulation.

8 "Commonly owned banks" means 2 or more banks that each
9 qualify as a bank subsidiary of the same bank holding company
10 pursuant to Section 18 of the Federal Deposit Insurance Act;
11 "commonly owned bank" refers to one of a group of commonly
12 owned banks but only with respect to one or more of the other
13 banks in the same group.

14 "Community" means a city, village, or incorporated town
15 and also includes the area served by the banking offices of a
16 bank, but need not be limited or expanded to conform to the
17 geographic boundaries of units of local government.

18 "Company" means a corporation, limited liability company,
19 partnership, business trust, association, or similar
20 organization and, unless specifically excluded, includes a
21 "State bank" and a "bank".

22 "Consolidating bank" means a party to a consolidation.

23 "Consolidation" takes place when 2 or more banks, or a
24 trust company and a bank, are extinguished and by the same
25 process a new bank is created, taking over the assets and
26 assuming the liabilities of the banks or trust company passing

1 out of existence.

2 "Continuing bank" means a merging bank, the charter of
3 which becomes the charter of the resulting bank.

4 "Converting bank" means a State bank converting to become
5 a national bank, or a national bank converting to become a
6 State bank.

7 "Converting trust company" means a trust company
8 converting to become a State bank.

9 "Court" means a court of competent jurisdiction.

10 "Director" means a member of the board of directors of a
11 bank. In the case of a manager-managed limited liability
12 company, however, "director" means a manager of the bank and,
13 in the case of a member-managed limited liability company,
14 "director" means a member of the bank. The term "director"
15 does not include an advisory director, honorary director,
16 director emeritus, or similar person, unless the person is
17 otherwise performing functions similar to those of a member of
18 the board of directors.

19 "Director of Banking" means the Director of the Division
20 of Banking of the Department of Financial and Professional
21 Regulation.

22 "Eligible depository institution" means an insured savings
23 association that is in default, an insured savings association
24 that is in danger of default, a State or national bank that is
25 in default or a State or national bank that is in danger of
26 default, as those terms are defined in this Section, or a new

1 bank as that term defined in Section 11(m) of the Federal
2 Deposit Insurance Act or a bridge bank as that term is defined
3 in Section 11(n) of the Federal Deposit Insurance Act or a new
4 federal savings association authorized under Section
5 11(d) (2) (f) of the Federal Deposit Insurance Act.

6 "Fiduciary" means trustee, agent, executor, administrator,
7 committee, guardian for a minor or for a person under legal
8 disability, receiver, trustee in bankruptcy, assignee for
9 creditors, or any holder of similar position of trust.

10 "Financial institution" means a bank, savings bank,
11 savings and loan association, credit union, or any licensee
12 under the Consumer Installment Loan Act or the Sales Finance
13 Agency Act and, for purposes of Section 48.3, any proprietary
14 network, funds transfer corporation, or other entity providing
15 electronic funds transfer services, or any corporate
16 fiduciary, its subsidiaries, affiliates, parent company, or
17 contractual service provider that is examined by the
18 Commissioner. For purposes of Section 5c and subsection (b) of
19 Section 13 of this Act, "financial institution" includes any
20 proprietary network, funds transfer corporation, or other
21 entity providing electronic funds transfer services, and any
22 corporate fiduciary.

23 "Foundation" means the Illinois Bank Examiners' Education
24 Foundation.

25 "General obligation" means a bond, note, debenture,
26 security, or other instrument evidencing an obligation of the

1 government entity that is the issuer that is supported by the
2 full available resources of the issuer, the principal and
3 interest of which is payable in whole or in part by taxation.

4 "Guarantee" means an undertaking or promise to answer for
5 payment of another's debt or performance of another's duty,
6 liability, or obligation whether "payment guaranteed" or
7 "collection guaranteed".

8 "In danger of default" means a State or national bank, a
9 federally chartered insured savings association or an Illinois
10 state chartered insured savings association with respect to
11 which the Commissioner or the appropriate federal banking
12 agency has advised the Federal Deposit Insurance Corporation
13 that:

14 (1) in the opinion of the Commissioner or the
15 appropriate federal banking agency,

16 (A) the State or national bank or insured savings
17 association is not likely to be able to meet the
18 demands of the State or national bank's or savings
19 association's obligations in the normal course of
20 business; and

21 (B) there is no reasonable prospect that the State
22 or national bank or insured savings association will
23 be able to meet those demands or pay those obligations
24 without federal assistance; or

25 (2) in the opinion of the Commissioner or the
26 appropriate federal banking agency,

1 (A) the State or national bank or insured savings
2 association has incurred or is likely to incur losses
3 that will deplete all or substantially all of its
4 capital; and

5 (B) there is no reasonable prospect that the
6 capital of the State or national bank or insured
7 savings association will be replenished without
8 federal assistance.

9 "In default" means, with respect to a State or national
10 bank or an insured savings association, any adjudication or
11 other official determination by any court of competent
12 jurisdiction, the Commissioner, the appropriate federal
13 banking agency, or other public authority pursuant to which a
14 conservator, receiver, or other legal custodian is appointed
15 for a State or national bank or an insured savings
16 association.

17 "Insured savings association" means any federal savings
18 association chartered under Section 5 of the federal Home
19 Owners' Loan Act and any State savings association chartered
20 under the Illinois Savings and Loan Act of 1985 or a
21 predecessor Illinois statute, the deposits of which are
22 insured by the Federal Deposit Insurance Corporation. The term
23 also includes a savings bank organized or operating under the
24 Savings Bank Act.

25 "Insured savings association in recovery" means an insured
26 savings association that is not an eligible depository

1 institution and that does not meet the minimum capital
2 requirements applicable with respect to the insured savings
3 association.

4 "Issuer" means for purposes of Section 33 every person who
5 shall have issued or proposed to issue any security; except
6 that (1) with respect to certificates of deposit, voting trust
7 certificates, collateral-trust certificates, and certificates
8 of interest or shares in an unincorporated investment trust
9 not having a board of directors (or persons performing similar
10 functions), "issuer" means the person or persons performing
11 the acts and assuming the duties of depositor or manager
12 pursuant to the provisions of the trust, agreement, or
13 instrument under which the securities are issued; (2) with
14 respect to trusts other than those specified in clause (1)
15 above, where the trustee is a corporation authorized to accept
16 and execute trusts, "issuer" means the entrusters, depositors,
17 or creators of the trust and any manager or committee charged
18 with the general direction of the affairs of the trust
19 pursuant to the provisions of the agreement or instrument
20 creating the trust; and (3) with respect to equipment trust
21 certificates or like securities, "issuer" means the person to
22 whom the equipment or property is or is to be leased or
23 conditionally sold.

24 "Letter of credit" and "customer" shall have the meanings
25 ascribed to those terms in Section 5-102 of the Uniform
26 Commercial Code.

1 "Main banking premises" means the location that is
2 designated in a bank's charter as its main office.

3 "Maker or obligor" means for purposes of Section 33 the
4 issuer of a security, the promisor in a debenture or other debt
5 security, or the mortgagor or grantor of a trust deed or
6 similar conveyance of a security interest in real or personal
7 property.

8 "Merged bank" means a merging bank that is not the
9 continuing, resulting, or surviving bank in a consolidation or
10 merger.

11 "Merger" includes consolidation.

12 "Merging bank" means a party to a bank merger.

13 "Merging trust company" means a trust company party to a
14 merger with a State bank.

15 "Mid-tier bank holding company" means a corporation that
16 (a) owns 100% of the issued and outstanding shares of each
17 class of stock of a State bank, (b) has no other subsidiaries,
18 and (c) 100% of the issued and outstanding shares of the
19 corporation are owned by a parent bank holding company.

20 "Municipality" means any municipality, political
21 subdivision, school district, taxing district, or agency.

22 "National bank" means a national banking association
23 located in this State and after May 31, 1997, means a national
24 banking association without regard to its location.

25 "Out-of-state bank" means a bank chartered under the laws
26 of a state other than Illinois, a territory of the United

1 States, or the District of Columbia.

2 "Parent bank holding company" means a corporation that is
3 a bank holding company as that term is defined in the Illinois
4 Bank Holding Company Act of 1957 and owns 100% of the issued
5 and outstanding shares of a mid-tier bank holding company.

6 "Person" means an individual, corporation, limited
7 liability company, partnership, joint venture, trust, estate,
8 or unincorporated association.

9 "Public agency" means the State of Illinois, the various
10 counties, townships, cities, towns, villages, school
11 districts, educational service regions, special road
12 districts, public water supply districts, fire protection
13 districts, drainage districts, levee districts, sewer
14 districts, housing authorities, the Illinois Bank Examiners'
15 Education Foundation, the Chicago Park District, and all other
16 political corporations or subdivisions of the State of
17 Illinois, whether now or hereafter created, whether herein
18 specifically mentioned or not, and shall also include any
19 other state or any political corporation or subdivision of
20 another state.

21 "Public funds" or "public money" means current operating
22 funds, special funds, interest and sinking funds, and funds of
23 any kind or character belonging to, in the custody of, or
24 subject to the control or regulation of the United States or a
25 public agency. "Public funds" or "public money" shall include
26 funds held by any of the officers, agents, or employees of the

1 United States or of a public agency in the course of their
2 official duties and, with respect to public money of the
3 United States, shall include Postal Savings funds.

4 "Published" means, unless the context requires otherwise,
5 the publishing of the notice or instrument referred to in some
6 newspaper of general circulation in the community in which the
7 bank is located at least once each week for 3 successive weeks.
8 Publishing shall be accomplished by, and at the expense of,
9 the bank required to publish. Where publishing is required,
10 the bank shall submit to the Commissioner that evidence of the
11 publication as the Commissioner shall deem appropriate.

12 "Qualified financial contract" means any security
13 contract, commodity contract, forward contract, including spot
14 and forward foreign exchange contracts, repurchase agreement,
15 swap agreement, and any similar agreement, any option to enter
16 into any such agreement, including any combination of the
17 foregoing, and any master agreement for such agreements. A
18 master agreement, together with all supplements thereto, shall
19 be treated as one qualified financial contract. The contract,
20 option, agreement, or combination of contracts, options, or
21 agreements shall be reflected upon the books, accounts, or
22 records of the bank, or a party to the contract shall provide
23 documentary evidence of such agreement.

24 "Recorded" means the filing or recording of the notice or
25 instrument referred to in the office of the Recorder of the
26 county wherein the bank is located.

1 "Resulting bank" means the bank resulting from a merger or
2 conversion.

3 "Secretary" means the Secretary of Financial and
4 Professional Regulation, or a person authorized by the
5 Secretary or by this Act to act in the Secretary's stead.

6 "Securities" means stocks, bonds, debentures, notes, or
7 other similar obligations.

8 "Special purpose trust company" means a special purpose
9 trust company under Article IIA of the Corporate Fiduciary
10 Act.

11 "Stand-by letter of credit" means a letter of credit under
12 which drafts are payable upon the condition the customer has
13 defaulted in performance of a duty, liability, or obligation.

14 "State bank" means any banking corporation that has a
15 banking charter issued by the Commissioner under this Act.

16 "State Banking Board" means the State Banking Board of
17 Illinois.

18 "Subsidiary" with respect to a specified company means a
19 company that is controlled by the specified company. For
20 purposes of paragraphs (8) and (12) of Section 5 of this Act,
21 "control" means the exercise of operational or managerial
22 control of a corporation by the bank, either alone or together
23 with other affiliates of the bank.

24 "Surplus" means the aggregate of (i) amounts paid in
25 excess of the par value of capital stock and preferred stock;
26 (ii) amounts contributed other than for capital stock and

1 preferred stock and allocated to the surplus account; and
2 (iii) amounts transferred from undivided profits.

3 "Tier 1 Capital" and "Tier 2 Capital" have the meanings
4 assigned to those terms in regulations promulgated for the
5 appropriate federal banking agency of a state bank, as those
6 regulations are now or hereafter amended.

7 "Trust company" means a limited liability company or
8 corporation incorporated in this State for the purpose of
9 accepting and executing trusts.

10 "Undivided profits" means undistributed earnings less
11 discretionary transfers to surplus.

12 "Unimpaired capital and unimpaired surplus", for the
13 purposes of paragraph (21) of Section 5 and Sections 32, 33,
14 34, 35.1, 35.2, and 47 of this Act means the sum of the state
15 bank's Tier 1 Capital and Tier 2 Capital plus such other
16 shareholder equity as may be included by regulation of the
17 Commissioner. Unimpaired capital and unimpaired surplus shall
18 be calculated on the basis of the date of the last quarterly
19 call report filed with the Commissioner preceding the date of
20 the transaction for which the calculation is made, provided
21 that: (i) when a material event occurs after the date of the
22 last quarterly call report filed with the Commissioner that
23 reduces or increases the bank's unimpaired capital and
24 unimpaired surplus by 10% or more, then the unimpaired capital
25 and unimpaired surplus shall be calculated from the date of
26 the material event for a transaction conducted after the date

1 of the material event; and (ii) if the Commissioner determines
2 for safety and soundness reasons that a state bank should
3 calculate unimpaired capital and unimpaired surplus more
4 frequently than provided by this paragraph, the Commissioner
5 may by written notice direct the bank to calculate unimpaired
6 capital and unimpaired surplus at a more frequent interval. In
7 the case of a state bank newly chartered under Section 13 or a
8 state bank resulting from a merger, consolidation, or
9 conversion under Sections 21 through 26 for which no preceding
10 quarterly call report has been filed with the Commissioner,
11 unimpaired capital and unimpaired surplus shall be calculated
12 for the first calendar quarter on the basis of the effective
13 date of the charter, merger, consolidation, or conversion.

14 (Source: P.A. 95-924, eff. 8-26-08; 95-1047, eff. 4-6-09;
15 96-1000, eff. 7-2-10; 96-1163, eff. 1-1-11.)

16 (205 ILCS 5/30) (from Ch. 17, par. 337)

17 Sec. 30. Conversion; merger with trust company or special
18 purpose trust company. Upon approval by the Commissioner a
19 trust company having power so to do under the law under which
20 it is organized may convert into a state bank or may merge into
21 a state bank as prescribed by this Act; except that the action
22 by a trust company shall be taken in the manner prescribed by
23 and shall be subject to limitations and requirements imposed
24 by the law under which it is organized which law shall also
25 govern the rights of its dissenting stockholders. The rights

1 of dissenting stockholders of a state bank shall be governed
2 by Section 29 of this Act. The conversion or merger procedure
3 shall be:

4 (1) In the case of a merger, the board of directors of both
5 the merging trust company and the merging bank by a majority of
6 the entire board in each case shall approve a merger agreement
7 which shall contain:

8 (a) The name and location of the merging bank and of
9 the merging trust company and a list of the stockholders
10 of each as of the date of the merger agreement;

11 (b) With respect to the resulting bank (i) its name
12 and place of business; (ii) the amount of capital, surplus
13 and reserve for operating expenses; (iii) the classes and
14 the number of shares of stock and the par value of each
15 share; (iv) the charter which is to be the charter of the
16 resulting bank, together with the amendments to the
17 continuing charter and to the continuing by-laws; and (v)
18 a detailed financial statement showing the assets and
19 liabilities after the proposed merger;

20 (c) Provisions governing the manner of converting the
21 shares of the merging bank and of the merging trust
22 company into shares of the resulting bank;

23 (d) A statement that the merger agreement is subject
24 to approval by the Commissioner and by the stockholders of
25 the merging bank and the merging trust company, and that
26 whether approved or disapproved, the parties thereto will

1 pay the Commissioner's expenses of examination;

2 (e) Provisions governing the manner of disposing of
3 the shares of the resulting bank not taken by the
4 dissenting stockholders of the merging trust company; and

5 (f) Such other provisions as the Commissioner may
6 reasonably require to enable him to discharge his duties
7 with respect to the merger.

8 (2) After approval by the board of directors of the
9 merging bank and of the merging trust company, the merger
10 agreement shall be submitted to the Commissioner for approval
11 together with the certified copies of the authorizing
12 resolution of each board of directors showing approval by a
13 majority of each board.

14 (3) After receipt by the Commissioner of the papers
15 specified in subsection (2), he shall approve or disapprove
16 the merger agreement. The Commissioner shall not approve the
17 agreement unless he shall be of the opinion and finds:

18 (a) That the resulting bank meets the requirements of
19 this Act for the formation of a new bank at the proposed
20 place of business of the resulting bank;

21 (b) That the same matters exist in respect of the
22 resulting bank which would have been required under
23 Section 10 of this Act for the organization of a new bank;
24 and

25 (c) That the merger agreement is fair to all persons
26 affected. If the Commissioner disapproves the merger

1 agreement, he shall state his objections in writing and
2 give an opportunity to the merging bank and the merging
3 trust company to obviate such objections.

4 (4) To be effective, if approved by the Commissioner, a
5 merger of a bank and a trust company where there is to be a
6 resulting bank must be approved by the affirmative vote of the
7 holders of at least two-thirds of the outstanding shares of
8 stock of the merging bank entitled to vote at a meeting called
9 to consider such action, unless holders of preferred stock are
10 entitled to vote as a class in respect thereof, in which event
11 the proposed merger shall be adopted upon receiving the
12 affirmative vote of the holders of at least two-thirds of the
13 outstanding shares of each class of shares entitled to vote as
14 a class in respect thereof and of the total outstanding shares
15 entitled to vote at such meeting and must be approved by the
16 stockholders of the merging trust company as provided by the
17 Act under which it is organized. The prescribed vote by the
18 merging bank and the merging trust company shall constitute
19 the adoption of the charter and by-laws of the continuing
20 bank, including the amendments in the merger agreement, as the
21 charter and by-laws of the resulting bank. Written or printed
22 notice of the meeting of the stockholders of the merging bank
23 shall be given to each stockholder of record entitled to vote
24 at such meeting at least thirty days before such meeting and in
25 the manner provided in this Act for the giving of notice of
26 meetings of stockholders. The notice shall state that

1 dissenting stockholders of the merging trust company will be
2 entitled to payment of the value of those shares which are
3 voted against approval of the merger, if a proper demand is
4 made on the resulting bank and the requirements of the Act
5 under which the merging trust company is organized are
6 satisfied.

7 (5) Unless a later date is specified in the merger
8 agreement, the merger shall become effective upon the filing
9 with the Commissioner of the executed merger agreement,
10 together with copies of the resolutions of the stockholders of
11 the merging bank and the merging trust company approving it,
12 certified by the president or a vice-president or, the cashier
13 and also by the secretary or other officer charged with
14 keeping the records. The charter of the merging trust company
15 shall thereupon automatically terminate. The Commissioner
16 shall thereupon issue to the continuing bank a certificate of
17 merger which shall specify the name of the merging trust
18 company, the name of the continuing bank and the amendments to
19 the charter of the continuing bank provided for by the merger
20 agreement. Such certificate shall be conclusive evidence of
21 the merger and of the correctness of all proceedings therefor
22 in all courts and places including the office of the Secretary
23 of State, and said certificate shall be recorded.

24 (6) In the case of a conversion, a trust company shall
25 apply for a charter by filing with the Commissioner:

26 (a) A certificate signed by its president, or a

1 vice-president, and by a majority of the entire board of
2 directors setting forth the corporate action taken in
3 compliance with the provisions of the Act under which it
4 is organized governing the conversion of a trust company
5 to a bank or governing the merger of a trust company into
6 another corporation;

7 (b) The plan of conversion and the proposed charter
8 approved by the stockholders for the operation of the
9 trust company as a bank. The plan of conversion shall
10 contain (i) the name and location proposed for the
11 converting trust company; (ii) a list of its stockholders
12 as of the date of the stockholders' approval of the plan of
13 conversion; (iii) the amount of its capital, surplus and
14 reserve for operating expenses; (iv) the classes and the
15 number of shares of stock and the par value of each share;
16 (v) the charter which is to be the charter of the resulting
17 bank; and (vi) a detailed financial statement showing the
18 assets and liabilities of the converting trust company;

19 (c) A statement that the plan of conversion is subject
20 to approval by the Commissioner and that, whether approved
21 or disapproved, the converting trust company will pay the
22 Commissioner's expenses of examination; and

23 (d) Such other instruments as the Commissioner may
24 reasonably require to enable him to discharge his duties
25 with respect to the conversion.

26 (7) After receipt by the Commissioner of the papers

1 specified in subsection (6), he shall approve or disapprove
2 the plan of conversion. The Commissioner shall not approve the
3 plan of conversion unless he shall be of the opinion and finds:

4 (a) That the resulting bank meets the requirements of
5 this Act for the formation of a new bank at the proposed
6 place of business of the resulting bank;

7 (b) That the same matters exist in respect of the
8 resulting bank which would have been required under
9 Section 10 of this Act for the organization of a new bank;
10 and

11 (c) That the plan of conversion is fair to all persons
12 affected.

13 If the commissioner disapproves the plan of conversion, he
14 shall state his objections in writing and give an opportunity
15 to the converting trust company to obviate such objections.

16 (8) Unless a later date is specified in the plan of
17 conversion, the conversion shall become effective upon the
18 Commissioner's approval, and the charter proposed in the plan
19 of conversion shall constitute the charter of the resulting
20 bank. The Commissioner shall issue a certificate of conversion
21 which shall specify the name of the converting trust company,
22 the name of the resulting bank and the charter provided for by
23 said plan of conversion. Such certificate shall be conclusive
24 evidence of the conversion and of the correctness of all
25 proceedings therefor in all courts and places including the
26 office of the Secretary of State, and such certificate shall

1 be recorded.

2 (8.5) A special purpose trust company under Article IIA of
3 the Corporate Fiduciary Act may merge with a State bank or
4 convert to a State bank as if the special purpose trust company
5 were a trust company under Article II of the Corporate
6 Fiduciary Act, subject to rules adopted by the Department.

7 (9) In the case of either a merger or a conversion under
8 this Section 30, the resulting bank shall be considered the
9 same business and corporate entity as each merging bank and
10 merging trust company or as the converting trust company with
11 all the property, rights, powers, duties and obligations of
12 each as specified in Section 28 of this Act.

13 (Source: P.A. 91-357, eff. 7-29-99.)

14 Section 900-20. The Corporate Fiduciary Act is amended by
15 changing Sections 1-5.08, 2-1, 4-1, 4-2, 4-5, 4A-15, and 5-1
16 and by adding Article IIA as follows:

17 (205 ILCS 620/1-5.08) (from Ch. 17, par. 1551-5.08)

18 Sec. 1-5.08. "Foreign corporation" means:

19 (a) any bank, savings and loan association, savings bank,
20 or other corporation, limited liability company, or other
21 entity now or hereafter organized under the laws of any state
22 or territory of the United States of America, including the
23 District of Columbia, other than the State of Illinois;

24 (b) any national banking association having its principal

1 place of business in any state or territory of the United
2 States of America, including the District of Columbia, other
3 than the State of Illinois; and

4 (c) any federal savings and loan association or federal
5 savings bank having its principal place of business in any
6 state or territory of the United States of America, including
7 the District of Columbia, other than the State of Illinois.

8 (Source: P.A. 91-97, eff. 7-9-99.)

9 (205 ILCS 620/2-1) (from Ch. 17, par. 1552-1)

10 Sec. 2-1. (a) Any corporation which has been or shall be
11 incorporated under the general corporation laws of this State
12 and any limited liability company established under the
13 Limited Liability Company Act for the purpose of accepting and
14 executing trusts, and any state bank, state savings and loan
15 association, state savings bank, or other special corporation
16 now or hereafter authorized by law to accept or execute
17 trusts, may be appointed to act as a fiduciary in any capacity
18 a natural person or corporation may act, and shall include,
19 but not be limited to, acting as assignee or trustee by deed,
20 and executor, guardian or trustee by will, custodian under the
21 Illinois Uniform Transfers to Minors Act and such appointment
22 shall be of like force as in case of appointment of a natural
23 person and shall be designated a corporate fiduciary.

24 (b) No corporate fiduciary shall dissolve or cease its
25 corporate existence without prior notice to and approval by

1 the Commissioner and compliance with the requirements of
2 Section 7-1 of this Act.

3 (Source: P.A. 100-863, eff. 8-14-18.)

4 (205 ILCS 620/Art. IIA heading new)

5 ARTICLE IIA. SPECIAL PURPOSE TRUST COMPANY

6 AUTHORITY AND ORGANIZATION

7 (205 ILCS 620/2A-1 new)

8 Sec. 2A-1. Purpose. The General Assembly finds that
9 corporate fiduciaries perform a vital service in the custody,
10 safekeeping, and management of physical assets, traditional
11 electronic assets, and emerging digital assets for customers;
12 that it is in the public interest that trust companies may be
13 organized for the special purpose of providing fiduciary
14 custodial services and related services to customers; that the
15 operation of special purpose trust companies is impressed with
16 a public interest such that it should be supervised as an
17 activity under this Act; and that such special purpose trust
18 companies should obtain their authority, conduct their
19 operations, and be supervised as corporate fiduciaries as
20 provided in this Act.

21 (205 ILCS 620/2A-2 new)

22 Sec. 2A-2. Special purpose trust company. Any corporation
23 that has been or shall be incorporated under the general

1 corporation laws of this State and any limited liability
2 company established under the Limited Liability Company Act
3 for the special purpose of providing fiduciary custodial
4 services or providing other like or related services as
5 specified by rule, consistent with this Article, may be
6 appointed to act as a fiduciary with respect to such services
7 and shall be designated a special purpose trust company.

8 (205 ILCS 620/2A-3 new)

9 Sec. 2A-3. Certificate of authority.

10 (a) It shall be lawful for any person to engage in the
11 activity of a special purpose trust company after the
12 effective date of this amendatory Act of the 103rd General
13 Assembly upon filing an application for and procuring from the
14 Secretary a certificate of authority stating that the person
15 has complied with the requirements of this Act and is
16 qualified to engage in the activity of a special purpose trust
17 company.

18 (b) No natural person or natural persons, firm,
19 partnership, or corporation not having been authorized under
20 this Act shall transact in the activity of a special purpose
21 trust company. A person who violates this Section is guilty of
22 a Class A misdemeanor and the Attorney General or State's
23 Attorney of the county in which the violation occurs may
24 restrain the violation by a complaint for injunctive relief.

25 (c) Any entity that holds a certificate of authority under

1 Article II of this Act may engage in the activity of a special
2 purpose trust company without applying for or receiving a
3 certificate of authority under this Article IIA.

4 (d) Nothing in this Section shall limit the authority of a
5 depository institution to provide nonfiduciary custodial
6 services consistent with its charter in accordance with
7 applicable law and subject to any limitations and restrictions
8 imposed by its chartering authority.

9 (205 ILCS 620/2A-4 new)

10 Sec. 2A-4. Rulemaking and organization.

11 (a) The Department shall adopt rules for the
12 administration of this Article, including, but not limited to:
13 rules for defining statutory terms; applying for a certificate
14 of authority; review, investigation, and approval of
15 application for certificate of authority; capital
16 requirements; office location and name; collateralizing
17 fiduciary assets; and general corporate powers. The authority
18 of this subsection (a) is in addition to, and in no way limits,
19 the authority of the Secretary under subsection (a) of Section
20 5-1.

21 (b) Articles III, V, VI, VII, VIII, and IX of this Act
22 shall apply to a special purpose trust company under this
23 Article as if the special purpose trust company were a trust
24 company authorized under Article II of this Act, subject to
25 any rules adopted by the Department.

1 (205 ILCS 620/4-1) (from Ch. 17, par. 1554-1)

2 Sec. 4-1. Foreign corporate fiduciary; certificate of
3 authority. After July 13, 1953, no foreign corporation,
4 including banks, savings banks, and savings and loan
5 associations, now or hereafter organized under the laws of any
6 other state or territory, and no national banking association
7 having its principal place of business in any other state or
8 territory or federal savings and loan association or federal
9 savings bank having its principal place of business in any
10 other state or territory, may procure a certificate of
11 authority under Article II of this Act and any certificate of
12 authority heretofore issued hereunder to any such foreign
13 corporation or to any such national banking association shall
14 become null and void on July 13, 1953, except that any such
15 foreign corporation or any such national banking association
16 actually acting as trustee, executor, administrator,
17 administrator to collect, guardian, or in any other ~~like~~
18 fiduciary capacity in this State on July 13, 1953, may
19 continue to act as such fiduciary in that particular trust or
20 estate until such time as it has completed its duties
21 thereunder. Such foreign corporation and such national banking
22 association shall be subject to the provisions in this Article
23 IV, regardless of whether its certificate of authority was
24 obtained before July 13, 1953. The right and eligibility of
25 any foreign corporation, any national banking association

1 having its principal place of business in any other state or
2 territory or any federal savings and loan association or
3 federal savings bank having its principal place of business in
4 any other state or territory hereafter to act as trustee,
5 executor, administrator, administrator to collect, guardian,
6 or in any other ~~like~~ fiduciary capacity in this State shall be
7 governed solely by the provisions of this Act. Provided,
8 however, that the Commissioner shall not be required to
9 conduct an annual examination of such foreign corporation
10 pursuant to Section 5-2 of this Act, but may examine such
11 foreign corporation as the Commissioner deems appropriate.
12 "Principal place of business" of any bank, federal savings and
13 loan association or savings bank, for purposes of this Article
14 IV, means the principal office as designated on the charter by
15 its principal regulator.

16 (Source: P.A. 91-97, eff. 7-9-99.)

17 (205 ILCS 620/4-2) (from Ch. 17, par. 1554-2)

18 Sec. 4-2. Foreign corporation; eligibility. Any foreign
19 corporation may act in this State as trustee, executor,
20 administrator, administrator to collect, guardian, or in any
21 other like fiduciary capacity, whether the appointment is by
22 will, deed, court order or otherwise, without complying with
23 any laws of this State relating to the qualification of
24 corporations organized under the laws of this State to conduct
25 a trust business or laws relating to the qualification of

1 foreign corporations, provided only (1) such foreign
2 corporation is authorized by the laws of the state of its
3 organization or domicile to act as a fiduciary in that state,
4 and (2) a corporation organized under the laws of this State, a
5 national banking association having its principal place of
6 business in this State, and a federal savings and loan
7 association or federal savings bank having its principal place
8 of business in this State and authorized to act as a fiduciary
9 in this State, may, in such other state, act in a similar
10 fiduciary capacity or capacities, as the case may be, upon
11 conditions and qualifications which the Commissioner finds are
12 not unduly restrictive when compared to those imposed by the
13 laws of Illinois. Any foreign corporation eligible to act in a
14 fiduciary capacity in this State pursuant to the provisions of
15 this Act, shall be deemed qualified to accept and execute
16 trusts in this State within the meaning of this Act and the
17 Probate Act of 1975, approved August 7, 1975, as amended. No
18 foreign corporation shall be permitted to act as trustee,
19 executor, administrator, administrator to collect, guardian or
20 in any other ~~like~~ fiduciary capacity in this State except as
21 provided in Article IV of this Act; however, any foreign
22 corporation actually acting in any such fiduciary capacity in
23 this State on July 13, 1953, although not eligible to so act
24 pursuant to the provisions of this Article IV, may continue to
25 act as fiduciary in that particular trust or estate until such
26 time as it has completed its duties thereunder.

1 (Source: P.A. 92-685, eff. 7-16-02.)

2 (205 ILCS 620/4-5) (from Ch. 17, par. 1554-5)

3 Sec. 4-5. Certificate of authority; fees; certificate of
4 reciprocity.

5 (a) Prior to the time any foreign corporation acts in this
6 State as testamentary trustee, trustee appointed by any court,
7 trustee under any written agreement, declaration or instrument
8 of trust, executor, administrator, administrator to collect,
9 guardian or in any other ~~like~~ fiduciary capacity, such foreign
10 corporation shall apply to the Commissioner of Banks and Real
11 Estate for a certificate of authority with reference to the
12 fiduciary capacity or capacities in which such foreign
13 corporation proposes to act in this State, and the
14 Commissioner of Banks and Real Estate shall issue a
15 certificate of authority to such corporation concerning only
16 the fiduciary capacity or such of the fiduciary capacities to
17 which the application pertains and with respect to which he
18 has been furnished satisfactory evidence that such foreign
19 corporation meets the requirements of Section 4-2 of this Act.
20 The certificate of authority shall set forth the fiduciary
21 capacity or capacities, as the case may be, for which the
22 certificate is issued, and shall recite and certify that such
23 foreign corporation is eligible to act in this State in such
24 fiduciary capacity or capacities, as the case may be, pursuant
25 to the provisions of this Act. The certificate of authority

1 shall remain in full force and effect until such time as such
2 foreign corporation ceases to be eligible so to act under the
3 provisions of this Act.

4 (b) Each foreign corporation making application for a
5 certificate of authority shall pay reasonable fees to the
6 Commissioner of Banks and Real Estate as determined by the
7 Commissioner for the services of his office.

8 (c) Any foreign corporation holding a certificate of
9 reciprocity which recites and certifies that such foreign
10 corporation is eligible to act in this State in any such
11 fiduciary capacity pursuant to the provisions of Article IV of
12 this Act or any predecessor Act upon the same subject, issued
13 prior to the effective date of this amendatory Act of 1987 may
14 act in this State under such certificate of reciprocity in any
15 such fiduciary capacity without applying for a new certificate
16 of authority. Such certificate of reciprocity shall remain in
17 full force and effect until such time as such foreign
18 corporation ceases to be eligible so to act under the
19 provisions of Article IV of this Act.

20 (d) Any foreign corporation acting in Illinois under a
21 certificate of authority or a certificate of reciprocity shall
22 report changes in its name or address to the Commissioner and
23 shall notify the Commissioner when it is no longer serving as a
24 corporate fiduciary in Illinois.

25 (e) The provisions of this Section shall not apply to a
26 foreign corporation establishing or acquiring and maintaining

1 a place of business in this State to conduct business as a
2 fiduciary in accordance with Article IVA of this Act.

3 (Source: P.A. 92-483, eff. 8-23-01.)

4 (205 ILCS 620/4A-15)

5 Sec. 4A-15. Representative offices.

6 (a) A foreign corporation conducting fiduciary activities
7 outside this State, but not conducting fiduciary activities in
8 this State may establish a representative office under the
9 Foreign Bank Representative Office Act. At these offices, the
10 foreign corporation may market and solicit fiduciary services
11 and provide back office and administrative support to the
12 foreign corporation's fiduciary activities, but it may not
13 engage in fiduciary activities.

14 (b) A foreign corporation invested with trust powers or
15 authority to act as a fiduciary pursuant to the laws of its
16 home state but not conducting fiduciary activities must apply
17 for and procure a license under the Foreign Bank
18 Representative Office Act before establishing an office in
19 this State for the purpose of marketing, soliciting, or
20 transacting any service or product, unless such office is
21 otherwise established as permitted by and in accordance with
22 this Act, the Illinois Banking Act, the Savings Bank Act, the
23 Foreign Banking Office Act, or any Act specified by rules
24 adopted under this Act.

25 (Source: P.A. 92-483, eff. 8-23-01; 92-811, eff. 8-21-02.)

1 (205 ILCS 620/5-1) (from Ch. 17, par. 1555-1)

2 Sec. 5-1. Commissioner's powers. The Commissioner of Banks
3 and Real Estate shall have the following powers and authority
4 and is charged with the duties and responsibilities designated
5 in this Act:

6 (a) To promulgate, in accordance with the Illinois
7 Administrative Procedure Act, reasonable rules for the purpose
8 of administering the provisions of this Act, for the purpose
9 of protecting consumers of this State as may be necessary and
10 appropriate, and for the purpose of incorporating by reference
11 rules promulgated by the Federal Deposit Insurance
12 Corporation, the Board of Governors of the Federal Reserve
13 System, the Office of the Comptroller of the Currency, the
14 Office of Thrift Supervision, or their successors that pertain
15 to corporate fiduciaries, including, but not limited to,
16 standards for the operation and conduct of the affairs of
17 corporate fiduciaries;

18 (b) To issue orders for the purpose of administering the
19 provisions of this Act and any rule promulgated in accordance
20 with this Act;

21 (c) To appoint hearing officers to conduct hearings held
22 pursuant to any of the powers granted to the Commissioner
23 under this Section for the purpose of administering this Act
24 and any rule promulgated in accordance with this Act;

25 (d) To subpoena witnesses, to compel their attendance, to

1 administer an oath, to examine any person under oath and to
2 require the production of any relevant books, papers, accounts
3 and documents in the course of and pursuant to any
4 investigation being conducted, or any action being taken, by
5 the Commissioner in respect of any matter relating to the
6 duties imposed upon, or the powers vested in, the Commissioner
7 under the provisions of this Act, or any rule or regulation
8 promulgated in accordance with this Act;

9 (e) To conduct hearings;

10 (f) To promulgate the form and content of any applications
11 required under this Act;

12 (g) To impose civil penalties of up to \$100,000 against
13 any person or corporate fiduciary for each violation of any
14 provision of this Act, any rule promulgated in accordance with
15 this Act, any order of the Commissioner or any other action
16 which, in the Commissioner's discretion, is a detriment or
17 impediment to accepting or executing trusts; and

18 (h) To address any inquiries to any corporate fiduciary,
19 or the officers thereof, in relation to its doings and
20 conditions, or any other matter connected with its affairs,
21 and it shall be the duty of any corporate fiduciary or person
22 so addressed, to promptly reply in writing to such inquiries.
23 The Commissioner may also require reports from any corporate
24 fiduciary at any time he may deem desirable.

25 (Source: P.A. 96-1365, eff. 7-28-10.)

1 Section 900-25. The Consumer Fraud and Deceptive Business
2 Practices Act is amended by adding Section 2EEEE as follows:

3 (815 ILCS 505/2EEEE new)

4 Sec. 2EEEE. Violations of the Digital Assets Regulation
5 Act. Any person who violates Article 105 of the Digital Assets
6 Regulation Act commits an unlawful practice within the meaning
7 of this Act.

8 Article 999.

9 Section 999-95. No acceleration or delay. Where this Act
10 makes changes in a statute that is represented in this Act by
11 text that is not yet or no longer in effect (for example, a
12 Section represented by multiple versions), the use of that
13 text does not accelerate or delay the taking effect of (i) the
14 changes made by this Act or (ii) provisions derived from any
15 other Public Act.

16 Section 999-99. Effective date. This Act takes effect upon
17 becoming law.