

1 AN ACT concerning financial institutions.

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

4 Section 5. The Savings Bank Act is amended by adding
5 Section 1007.125 and changing Section 1008 as follows:

6 (205 ILCS 205/1007.125 new)

7 Sec. 1007.125. Limited liability company. "Limited
8 liability company" means a limited liability company
9 organized under the Limited Liability Company Act.

10 (205 ILCS 205/1008) (from Ch. 17, par. 7301-8)

11 Sec. 1008. General corporate powers.

12 (a) A savings bank operating under this Act shall be a
13 body corporate and politic and shall have all of the powers
14 conferred by this Act including, but not limited to, the
15 following powers:

16 (1) To sue and be sued, complain, and defend in its
17 corporate name and to have a common seal, which it may
18 alter or renew at pleasure.

19 (2) To obtain and maintain insurance by a deposit
20 insurance corporation as defined in this Act.

21 (3) To act as a fiscal agent for the United States,
22 the State of Illinois or any department, branch, arm, or
23 agency of the State or any unit of local government or
24 school district in the State, when duly designated for
25 that purpose, and as agent to perform reasonable
26 functions as may be required of it.

27 (4) To become a member of or deal with any
28 corporation or agency of the United States or the State
29 of Illinois, to the extent that the agency assists in
30 furthering or facilitating its purposes or powers and to

1 that end to purchase stock or securities thereof or
2 deposit money therewith, and to comply with any other
3 conditions of membership or credit.

4 (5) To make donations in reasonable amounts for the
5 public welfare or for charitable, scientific, religious,
6 or educational purposes.

7 (6) To adopt and operate reasonable insurance,
8 bonus, profit sharing, and retirement plans for officers
9 and employees and for directors including, but not
10 limited to, advisory, honorary, and emeritus directors,
11 who are not officers or employees.

12 (7) To reject any application for membership; to
13 retire deposit accounts by enforced retirement as
14 provided in this Act and the bylaws; and to limit the
15 issuance of, or payments on, deposit accounts, subject,
16 however, to contractual obligations.

17 (8) To purchase stock in service corporations and
18 to invest in any form of indebtedness of any service
19 corporation as defined in this Act, subject to
20 regulations of the Commissioner.

21 (9) To purchase stock of a corporation whose
22 principal purpose is to operate a safe deposit company or
23 escrow service company.

24 (10) To exercise all the powers necessary to
25 qualify as a trustee or custodian under federal or State
26 law, provided that the authority to accept and execute
27 trusts is subject to the provisions of the Corporate
28 Fiduciary Act and to the supervision of those activities
29 by the Commissioner.

30 (11) (Blank).

31 (12) To establish, maintain, and operate terminals
32 as authorized by the Electronic Fund Transfer Act.

33 (13) To pledge its assets:

34 (A) to enable it to act as agent for the sale

1 of obligations of the United States;

2 (B) to secure deposits;

3 (C) to secure deposits of money whenever
4 required by the National Bankruptcy Act;

5 (D) (blank); and

6 (E) to secure trust funds commingled with the
7 savings bank's funds, whether deposited by the
8 savings bank or an affiliate of the savings bank, as
9 required under Section 2-8 of the Corporate
10 Fiduciary Act.

11 (14) To accept for payment at a future date not to
12 exceed one year from the date of acceptance, drafts drawn
13 upon it by its customers; and to issue, advise, or
14 confirm letters of credit authorizing holders thereof to
15 draw drafts upon it or its correspondents.

16 (15) Subject to the regulations of the
17 Commissioner, to own and lease personal property acquired
18 by the savings bank at the request of a prospective
19 lessee and, upon the agreement of that person, to lease
20 the personal property.

21 (16) To establish temporary service booths at any
22 International Fair in this State that is approved by the
23 United States Department of Commerce for the duration of
24 the international fair for the purpose of providing a
25 convenient place for foreign trade customers to exchange
26 their home countries' currency into United States
27 currency or the converse. To provide temporary periodic
28 service to persons residing in a bona fide nursing home,
29 senior citizens' retirement home, or long-term care
30 facility. These powers shall not be construed as
31 establishing a new place or change of location for the
32 savings bank providing the service booth.

33 (17) To indemnify its officers, directors,
34 employees, and agents, as authorized for corporations

1 under Section 8.75 of the Business Corporations Act of
2 1983.

3 (18) To provide data processing services to others
4 on a for-profit basis.

5 (19) To utilize any electronic technology to
6 provide customers with home banking services.

7 (20) Subject to the regulations of the
8 Commissioner, to enter into an agreement to act as a
9 surety.

10 (21) Subject to the regulations of the
11 Commissioner, to issue credit cards, extend credit
12 therewith, and otherwise engage in or participate in
13 credit card operations.

14 (22) To purchase for its own account shares of
15 stock of a bankers' bank, described in Section 13(b)(1)
16 of the Illinois Banking Act, on the same terms and
17 conditions as a bank may purchase such shares. In no
18 event shall the total amount of such stock held by a
19 savings bank in such bankers' bank exceed 10% of its
20 capital and surplus (including undivided profits) and in
21 no event shall a savings bank acquire more than 5% of any
22 class of voting securities of such bankers' bank.

23 (23) With respect to affiliate facilities:

24 (A) to conduct at affiliate facilities any of
25 the following transactions for and on behalf of any
26 affiliated depository institution, if so authorized
27 by the affiliate or affiliates: receiving deposits;
28 renewing deposits; cashing and issuing checks,
29 drafts, money orders, travelers checks, or similar
30 instruments; changing money; receiving payments on
31 existing indebtedness; and conducting ministerial
32 functions with respect to loan applications,
33 servicing loans, and providing loan account
34 information; and

1 (B) to authorize an affiliated depository
2 institution to conduct for and on behalf of it, any
3 of the transactions listed in this subsection at one
4 or more affiliate facilities.

5 A savings bank intending to conduct or to authorize
6 an affiliated depository institution to conduct at an
7 affiliate facility any of the transactions specified in
8 this subsection shall give written notice to the
9 Commissioner at least 30 days before any such transaction
10 is conducted at an affiliate facility. All conduct under
11 this subsection shall be on terms consistent with safe
12 and sound banking practices and applicable law.

13 (24) Subject to Article XLIV of the Illinois
14 Insurance Code, to act as the agent for any fire, life,
15 or other insurance company authorized by the State of
16 Illinois, by soliciting and selling insurance and
17 collecting premiums on policies issued by such company;
18 and may receive for services so rendered such fees or
19 commissions as may be agreed upon between the said
20 savings bank and the insurance company for which it may
21 act as agent; provided, however, that no such savings
22 bank shall in any case assume or guarantee the payment of
23 any premium on insurance policies issued through its
24 agency by its principal; and provided further, that the
25 savings bank shall not guarantee the truth of any
26 statement made by an assured in filing his application
27 for insurance.

28 (25) To become a member of the Federal Home Loan
29 Bank and to have the powers granted to a savings
30 association organized under the Illinois Savings and Loan
31 Act of 1985 or the laws of the United States, subject to
32 regulations of the Commissioner.

33 (26) To offer any product or service that is at the
34 time authorized or permitted to a bank by applicable law,

1 but subject always to the same limitations and
 2 restrictions that are applicable to the bank for the
 3 product or service by such applicable law and subject to
 4 the applicable provisions of the Financial Institutions
 5 Insurance Sales Law and rules of the Commissioner.

6 (b) If this Act or the regulations adopted under this
 7 Act fail to provide specific guidance in matters of corporate
 8 governance, the provisions of the Business Corporation Act of
 9 1983 may be used.

10 (c) A savings bank operating under this Act may, subject
 11 to rules of the Commissioner, convert to a limited liability
 12 company upon an authorization by the deposit insurance
 13 corporation.

14 (Source: P.A. 91-97, eff. 7-9-99; 91-357, eff. 7-29-99;
 15 92-483, eff. 8-23-01.)

16 Section 10. The Limited Liability Company Act is amended
 17 by changing Section 1-25 as follows:

18 (805 ILCS 180/1-25)

19 Sec. 1-25. Nature of business. A limited liability
 20 company may be formed for any lawful purpose or business
 21 except:

22 (1) (blank) banking, exclusive of fiduciaries
 23 organized for the purpose of accepting and executing
 24 trusts;

25 (2) insurance unless, for the purpose of carrying
 26 on business as a member of a group including incorporated
 27 and individual unincorporated underwriters, the Director
 28 of Insurance finds that the group meets the requirements
 29 of subsection (3) of Section 86 of the Illinois Insurance
 30 Code and the limited liability company, if insolvent, is
 31 subject to liquidation by the Director of Insurance under
 32 Article XIII of the Illinois Insurance Code;

1 (3) the practice of dentistry unless all the
2 members and managers are licensed as dentists under the
3 Illinois Dental Practice Act; or

4 (4) the practice of medicine unless all the
5 managers, if any, are licensed to practice medicine under
6 the Medical Practice Act of 1987 and any of the following
7 conditions apply:

8 (A) the member or members are licensed to
9 practice medicine under the Medical Practice Act of
10 1987; or

11 (B) the member or members are a registered
12 medical corporation or corporations organized
13 pursuant to the Medical Corporation Act; or

14 (C) the member or members are a professional
15 corporation organized pursuant to the Professional
16 Service Corporation Act of physicians licensed to
17 practice medicine in all its branches; or

18 (D) the member or members are a medical
19 limited liability company or companies.

20 (Source: P.A. 91-593, eff. 8-14-99; 92-144, eff. 7-24-01.)