



ADMINISTRATIVE RULES OF MONTANA



2.59.2307 GROUNDS FOR DENYING AN APPLICATION

- (1) The department may deny an application on a finding that any person named in the application to organize or in other documents submitted for filing:
 - (a) is insolvent, either in the sense that the person's liabilities exceed the person's assets or that the person cannot meet the person's obligations as they mature, or is in a financial condition in which the person cannot continue in business with safety to the person's customers;
 - (b) has engaged in dishonest, fraudulent, or illegal practices or conduct in any business or profession;
 - (c) has willfully or repeatedly violated or failed to comply with any provisions of the Bank Act or any rule or order of the department;
 - (d) has been convicted of any felony or a misdemeanor, if an essential element of the crime is fraud or dishonesty;
 - (e) is not qualified to conduct a banking business on the basis of factors such as training, experience, and knowledge of the business;
 - (f) is permanently or temporarily enjoined by a court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the banking business or other business that may lawfully be conducted by an insured institution;
 - (g) is the subject of an order of the department subjecting the person to a civil penalty or removing the person from an office in any entity regulated by the department; or
 - (h) is the subject of an order directing the person to cease and desist from any fraudulent or unlawful business or banking practice, subjecting the person to a civil penalty, or removing the person from an office in a financial institution or a consumer finance company issued by a state, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or any other agency of the federal government or another state with regulatory authority over financial institutions or consumer finance companies.

Authorizing statute(s): 32-1-218, 32-1-240, 32-1-246, MCA

Implementing statute(s): 32-1-246, MCA

History: NEW, 2025 MAR, Notice No. 2025-900, Eff. 9/13/25.