

MAINE STATE LEGISLATURE

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DEPARTMENT OF THE ATTORNEY GENERAL
AUGUSTA, MAINE 04333

December 11, 1980

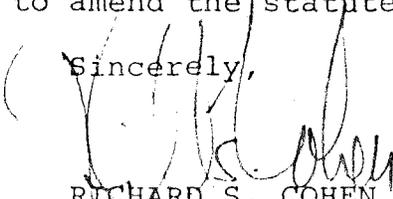
Robert Bourgault, Chairman
Board of Trustees
Maine State Retirement System
State House
Augusta, Maine 04333

Dear Chairman Bourgault:

As the enclosed opinion indicates, we have concluded that the proposed loan to the Credit Union would create a conflict of interest. Although the question was not entirely free from doubt, we felt it preferable to err on the side of conservatism in light of the sensitive nature of your trust relationship.

We recognize that our reading of section 1061(5) may create some problems for the Board by limiting its investment actions. While a de minimis exception to the conflict of interest prohibition might thus be desirable, we felt it inappropriate to establish such an exception in an Opinion of the Attorney General. Whether, and to what extent, such an exception should exist is really a determination for the Legislature. Thus, if our reading of section 1061(5) is likely to pose problems, the Board may wish to request the Legislature to amend the statute.

Sincerely,


RICHARD S. COHEN
Attorney General

RSC/ec