

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1065

S. P. 360

In Senate, February 26, 1973

Referred to the Committee on Business Legislation. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Schulten of Sagadahoc.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Relating to Investment of Trust Assets.

Be it enacted by the People of the State of Maine, as follows:

R. S., T. 9, § 1093, repealed and replaced. Section 1093 of Title 9 of the Revised Statutes, as amended, is repealed and the following enacted in place thereof:

§ 1093. Trust assets

1. Kept separate; exceptions. Except as otherwise provided, all securities, moneys and property received by any trust company to be held in trust shall be kept separate and apart from the other assets of the company in a trust department to be established and maintained by such trust company. The investments of each account shall be kept separate from those of all other accounts, except

A. That they may be invested in a common trust fund established under Title 18, section 4101;

B. That they may be placed in custody with any other bank or trust company, whether within or without the State and may, while so held, be commingled with other securities of other such accounts, with records being kept to show the share of each in the commingled securities;

C. That they may be commingled with similar securities of other accounts, with records being kept to show the share of each in the commingled securities. The ownership of and other interests in the securities credited to such account may be transferred by entries on the books of the trust company without physical delivery of any securities;

D. That securities, the principal and interest of which the United States or any department, agency or instrumentality thereof has agreed to pay or has guaranteed the payment of may be deposited with the Federal Reserve Bank in the district in which this State is located, to be credited to one or more fiduciary or safekeeping accounts on the books of said Federal Reserve Bank in the name of such trust company and to which accounts other similar securities may be credited. A trust company so depositing securities with a Federal Reserve Bank shall be subject to such rules and regulations with respect to the making and maintenance of such deposit as the commissioner may from time to time issue;

E. That any cash, whether principal or income, or both, may be deposited in its commercial department in an account specifically stating the trust to which the same belongs;

F. That any cash, whether principal or income, or both, may be deposited in its commercial department in an aggregate deposit, including balances from other trusts with the books of the department showing the specific interest of each trust in such aggregate deposit.

2. Records. A record of all matters relating to each trust account shall be separately kept in the trust department and shall indicate such particulars respecting each such account as the commissioner shall direct. The trust assets held by any such company shall not be subject to any other liabilities of said company.

STATEMENT OF FACT

This legislation will permit trust assets held by banks to be placed in custody both with other banks or trust companies and with the Federal Reserve Bank. It is intended in addition to clarify the language of the existing section relating to trust department records and to eliminate the need for the physical delivery of securities.