

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 560

S.P. 218

In Senate, February 14, 1995

An Act Concerning Trust Investments by Trustees in Affiliated Securities and Bonds.

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator KIEFFER of Aroostook.
Cosponsored by Representative VIGUE of Winslow and
Senator: SMALL of Sagadahoc.

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

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Sec. 1. 18-A MRSA §7-408, sub-§2, ¶¶A and B, as enacted by PL 1993, c. 213, §1, are amended to read:

A. If the investment is prohibited by the instrument, judgment, decree or order creating the fiduciary relationship; or

B. Unless, in the case of cofiduciaries, the association, corporation or financial institution or an affiliate procures the consent of its cofiduciaries to the investment; or.

Sec. 2. 18-A MRSA §7-408, sub-§2, ¶C, as enacted by PL 1993, c. 213, §1, is repealed.

Sec. 3. 18-A MRSA §7-408, sub-§3, as enacted by PL 1993, c. 213, §1, is repealed.

Sec. 4. 18-A MRSA §7-408, sub-§4 is enacted to read:

4. Disclosures. An association, corporation or financial institution purchasing bonds or securities pursuant to this section shall disclose in writing that it or an affiliate may have an interest in the underwriting or distribution of those bonds or securities and any capacities in which it or an affiliate acts for the issuer of those securities. An association, corporation or financial institution purchasing securities of an investment company pursuant to this section shall disclose the provision of the stated services and the receipt of compensation for those services annually by mailing a prospectus, statement or letter that describes those services to the last known address of each person to whom statements for the fiduciary estate are provided.

STATEMENT OF FACT

This bill repeals existing fee provisions applicable to trustees investing in affiliated investments and establishes disclosure requirements for investments by trustees in affiliated investments.