## MAINE STATE LEGISLATURE

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## 118th MAINE LEGISLATURE

## **FIRST REGULAR SESSION-1997**

Legislative Document

No. 886

S.P. 278

In Senate, February 6, 1997

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

Reference to the Committee on Judiciary suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator LaFOUNTAIN of York. Cosponsored by Representative: SAXL of Bangor.

Be it	enacted by the People of the State of Maine as follows:
1993	Sec. 1. 18-A MRSA §7-408, sub-§2, $\P\P A$ and B, as enacted by PL, 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, er.
213,	Sec. 2. 18-A MRSA $\S7$ -408, sub- $\S2$ , $\PC$ , as enacted by PL 1993, c. $\S1$ , is repealed.
213,	<pre>Sec. 3. 18-A MRSA §7-408, sub-§3, as enacted by PL 1993, c. §1, is repealed.</pre>
	Sec. 4. 18-A MRSA §7-408, sub-§4 is enacted to read:
	4. Disclosures. An association, corporation or financial itution purchasing bonds or securities pursuant to this ion shall disclose in writing that it or an affiliate may
have	an interest in the underwriting or distribution of those or securities and any capacities in which it or an
affi	liate acts for the issuer of those securities. An ciation, corporation or financial institution purchasing
secu	rities of an investment company pursuant to this section l disclose the provision of the stated services and the
rece	ipt of compensation for those services annually by mailing a pectus, statement or letter that describes those services to
the	last known address of each person to whom statements for the ciary estate are provided.
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	SUMMARY
disc	This bill repeals existing fee provisions applicable to tees investing in affiliated investments and establishes losure requirements for investments by trustees in affiliated stments.