

§1024. Corporate powers; stock ownership

1. Ownership. The stock of a mutual trust investment company shall be owned only by State banks with trust powers, trust companies and national banks with trust powers located in this State, acting as fiduciaries, and their individual cofiduciaries, if any, but may be registered in the name of their nominee or nominees.

[PL 1975, c. 500, §1 (NEW).]

2. Transfer or assignment. The stock of a mutual trust investment company shall not be subject to transfer or assignment except to the mutual trust investment company or to a fiduciary or cofiduciary which becomes successor to the stockholder or its nominee; provided that such successor fiduciary or cofiduciary or its nominee is qualified to hold such stock under subsection 1.

[PL 1975, c. 500, §1 (NEW).]

3. Directors. A mutual trust investment company shall have not less than 5 directors who need not be stockholders but shall be officers or directors of banks or trust companies located in this State.

[PL 1975, c. 500, §1 (NEW).]

4. Investments; assets. A mutual trust investment company may invest its assets only in those investments in which a trustee may invest under the laws of this State, and its assets shall constitute personal property held in trust. Such company shall make no investment in:

A. The note of an individual or individuals, whether or not it is secured; [PL 1975, c. 500, §1 (NEW).]

B. The note, bond or other obligation of any firm, corporation or other issuer if the total original issue of such notes, bonds or other obligations is less than \$500,000; [PL 1975, c. 500, §1 (NEW).]

C. Any stocks, bonds or other obligations issued or guaranteed by any one firm, corporation or other issuer in excess of 10% of the total assets of the mutual trust investment company, as increased by the proposed investment; provided that this limitation shall not apply to obligations of the United States, or for the payment of the principal and interest of which the full faith and credit of the United States is pledged; and [PL 1975, c. 500, §1 (NEW).]

D. Shares of stock of any one corporation which would cause the total number of such shares held by the mutual trust investment company to exceed 10% of the number of such shares outstanding.

[PL 1975, c. 500, §1 (NEW).]

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5. Stock acquisition. A mutual trust investment company may acquire, purchase or redeem its own stock and shall by means of contract or of its bylaws bind itself to acquire, purchase or redeem its own stock, but it shall not vote upon shares of its own stock.

[PL 1975, c. 500, §1 (NEW).]

6. Responsibility, liability, accountability. A mutual trust investment company shall not be responsible for ascertaining the investment powers of any fiduciary who may purchase its stock, and shall not be liable for accepting funds from a fiduciary in violation of the restrictions of the will, trust indenture or other instrument under which such fiduciary is acting in the absence of actual knowledge of such violation, and shall be accountable only to the superintendent and the fiduciaries who are the owners of its stock.

[PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW).

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