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HB 4792

FILED

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CLIVE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 2006



ENROLLED

House Bill No. 4792

(By Delegates Amores, H. White, Azinger and Moore)



Passed March 11, 2006

In Effect Ninety Days from Passage

FILED

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OFFICE WEST VIRGINIA
SECRETARY OF STATE

E N R O L L E D

H. B. 4792

(BY DELEGATES AMORES, H. WHITE, AZINGER AND MOORE)

[Passed March 11, 2006; in effect ninety days from passage.]

AN ACT to amend and reenact the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §44-6-10, relating to authorizing the purchasing of certain services from a bank or trust company or an affiliate of a bank or trust company.

Be it enacted by the Legislature:

That of the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §44-6-10, to read as follows:

ARTICLE 6. INVESTMENTS BY FIDUCIARIES.

§44-6-10. Purchase of service or product through or directly from bank or trust company or affiliate.

- 1 (a) A bank or trust company acting in any fiduciary
- 2 capacity, including, but not limited to, the capacities described
- 3 in this article, may purchase any service or product, including,
- 4 but not limited to, insurance or securities: underwritten or
- 5 otherwise distributed by the bank, the trust company or by an

6 affiliate; through or directly from the bank, the trust company
7 or an affiliate; or from a syndicate or selling group that includes
8 the bank, the trust company or an affiliate: *Provided*, That the
9 purchase is otherwise prudent under article six-c of this chapter;
10 the compensation for the service or product is reasonable; and
11 the transaction is not prohibited by the instrument governing the
12 fiduciary relationship. The compensation charged for the
13 service or product may be in addition to the compensation that
14 the bank or trust company is otherwise entitled to receive from
15 the fiduciary account.

16 (b) A bank or trust company shall disclose at least annually
17 any purchase authorized by this section that was made by the
18 bank or trust company during that reporting period. The
19 disclosure shall be given, in writing or electronically, to all
20 persons entitled to receive statements of account activity. The
21 disclosure shall include a description of any capacities in which
22 the bank or trust company or an affiliate acts for the issuer of
23 the securities or the provider of the products or services and a
24 declaration of the fact that the bank or trust company or an
25 affiliate may have an interest in the products or services.

26 (c) This section applies to the purchase of securities made
27 at the time of the initial offering of the securities or at any time
28 thereafter.

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Randy White

Chairman Senate Committee

Rob Byrd

Chairman House Committee

Originating in the House.

In effect ninety days from passage.

Darrell K. Brodeur

Clerk of the Senate

Suzanne M. Seal

Clerk of the House of Delegates

Carl Roy Tomblin

President of the Senate

Robert L. Byrd

Speaker of the House of Delegates

The within is approved this the 3rd
day of April, 2006.

[Signature]
Governor

PRESENTED TO THE
GOVERNOR

MAR 29 2006

Time 4:00 pm