ENROLLED

SENATE BILL No. 139

(By Mr. Ellison, By Request)

PASSED March 7, 1945

In Effect 90 days from Passage
AN ACT to amend chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article numbered four-c, providing for nominee registration of certain fiduciary securities.

Be it enacted by the Legislature of West Virginia:

That chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article numbered four-c, to read as follows:

Article Four-c.

Section 1. Any bank or trust company authorized to exercise trust powers under the laws of this state, which
holds in a fiduciary capacity any stock, bond, debenture, note, warrant, certificate or other security evidencing ownership or interest, either whole or fractional, in fully paid and non-assessable intangible personal property, may cause such security or evidence of ownership to be registered and held in the name of a nominee or nominees of such bank or trust company, or in its own name, without disclosing the fiduciary relationship: Provided, however, That where such bank or trust company is acting jointly with some other individual or individuals, it shall first secure the written consent of such individual fiduciary or fiduciaries which consent such individual fiduciary or fiduciaries are hereby authorized to give.

The placing of property in the name of a nominee, nominees, or in the name of the bank or trust company, without disclosure of the fiduciary capacity, shall be deemed to be nominee registration under this article and every such registration shall ipso facto constitute a declaration of trust upon the part of the registered owner so far as the fiduciary and the beneficiaries of the fiduciary status are concerned.
Sec. 2. Every such bank or trust company making use of nominee registration as provided in this article shall:

(a) At all times maintain such records as may be necessary to show the actual beneficial ownership of the property so held;

(b) At all times retain possession and control of such securities or other evidences of ownership which shall be kept separate and apart from the assets of such bank or trust company and assets held in other fiduciary capacities;

(c) Secure from such nominee or nominees such endorsements, assignments or other writings as may be necessary to effect retransfer of the securities or other evidences of ownership without notice, and such endorsements, assignments or other writings shall be valid and effective as of the date of delivery thereof whether the nominee die before transfer is perfected, or not;

(d) Enter into such contracts or agreements with its nominee or nominees as may be necessary to afford full protection to the ownership of its fiduciary account and the beneficiaries thereof;
4. (e) Clearly show in all of its reports and accounts the form of registration under which such securities or evidences of ownership are held.

Sec. 3. Any such bank or trust company which places property in nominee registration under this article shall be absolutely liable in civil actions or suits for any or all loss or damage to its fiduciary account or the beneficiaries thereof occasioned by the acts of any of its nominees, or any of its agents, employees, or other persons acting for it with respect to such property, including reasonable attorney fees.

Any bank or trust company or its officers, employees, nominees or agents placing property in nominee registration in violation of any of the provisions of this article shall be guilty of a misdemeanor, and in addition to civil liability for restitution, shall be punished by a fine of not less than fifty dollars nor more than one thousand dollars.

Sec. 4. No liability for any loss caused by the acts of the nominee of a bank or trust company shall attach to any transfer agent, registrar, corporation, officer or agent
of a corporation, or other person, who, in compliance with
the directions of any such bank or trust company acting
under the provisions of this article, transfers or changes
the registration of any such property. The certification
of the bank or trust company that it has complied with
the provisions of this article shall be *prima facie* evidence
of its compliance so far as any such transfer agent, regis-
trar, corporation, officer or agent of a corporation, or other
person, is concerned.

Sec. 5. No bank or trust company shall cause or permit
the use of its name or the name of its nominee or nominees
for the purpose of registering property to evade, avoid,
minimize or relieve itself or any other person, firm or
corporation, or the property, from taxation.
The Joint Committee on Enrolled Bills hereby certifies that
the foregoing bill is correctly enrolled.

Charles O. Murphy
Chairman Senate Committee

[Signature]
Chairman House Committee

Originated in the Senate

Takes effect 90 days from passage

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

[Signature]
President of the Senate

[Signature]
Speaker House of Delegates

The within Approved this the 12th
day of March, 1945.

[Signature]
Governor.

Filed in the office of the Secretary of State
of West Virginia MAR 12, 1945

Wm. S. O'Brien,
Secretary of State