

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1945

ENROLLED

SENATE BILL No. 139

(By Mr. Ellison, By Request

PASSED March 7 1945

In Effect 90-days from Passage

JARRETT PRINTING COMPANY, CHARLESTON, W. VA.



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Senate Bill No. 139

(BY MR. ELLISON, BY REQUEST)

[Passed March 7, 1945; in effect ninety 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
2 exercise trust powers under the laws of this state, which

3 holds in a fiduciary capacity any stock, bond, debenture,
4 note, warrant, certificate or other security evidencing
5 ownership or interest, either whole or fractional, in fully
6 paid and non-assessable intangible personal property, may
7 cause such security or evidence of ownership to be regis-
8 tered and held in the name of a nominee or nominees of
9 such bank or trust company, or in its own name, without
10 disclosing the fiduciary relationship: *Provided, however,*
11 That where such bank or trust company is acting jointly
12 with some other individual or individuals, it shall first
13 secure the written consent of such individual fiduciary or
14 fiduciaries which consent such individual fiduciary or
15 fiduciaries are hereby authorized to give.

16 The placing of property in the name of a nominee, nomi-
17 nees, or in the name of the bank or trust company, with-
18 out disclosure of the fiduciary capacity, shall be deemed
19 to be nominee registration under this article and every
20 such registration shall *ipso facto* constitute a declaration
21 of trust upon the part of the registered owner so far as
22 the fiduciary and the beneficiaries of the fiduciary status
23 are concerned.

Sec. 2. Every such bank or trust company making use

2 of nominee registration as provided in this article shall:

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

6 (b) At all times retain possession and control of such
7 securities or other evidences of ownership which shall be
8 kept separate and apart from the assets of such bank or
9 trust company and assets held in other fiduciary capaci-
10 ties;

11 (c) Secure from such nominee or nominees such en-
12 dorsements, assignments or other writings as may be
13 necessary to effect retransfer of the securities or other
14 evidences of ownership without notice, and such en-
15 dorsements, assignments or other writings shall be valid
16 and effective as of the date of delivery thereof whether
17 the nominee die before transfer is perfected, or not;

18 (d) Enter into such contracts or agreements with its
19 nominee or nominees as may be necessary to afford full
20 protection to the ownership of its fiduciary account and
21 the beneficiaries thereof;

22 (e) Clearly show in all of its reports and accounts the
23 form of registration under which such securities or evi-
24 dences of ownership are held.

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

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

Sec. 4. No liability for any loss caused by the acts of
2 the nominee of a bank or trust company shall attach to
3 any transfer agent, registrar, corporation, officer or agent

4 of a corporation, or other person, who, in compliance with
5 the directions of any such bank or trust company acting
6 under the provisions of this article, transfers or changes
7 the registration of any such property. The certification
8 of the bank or trust company that it has complied with
9 the provisions of this article shall be *prima facie* evidence
10 of its compliance so far as any such transfer agent, regis-
11 trar, corporation, officer or agent of a corporation, or other
12 person, is concerned.

Sec. 5. No bank or trust company shall cause or permit
2 the use of its name or the name of its nominee or nominees
3 for the purpose of registering property to evade, avoid,
4 minimize or relieve itself or any other person, firm or
5 corporation, or the property, from taxation.

The Joint Committee on Enrolled Bills hereby certifies that
the foregoing bill is correctly enrolled,

Charles C. Morris
Chairman Senate Committee

John C. Gresham
Chairman House Committee

Originated in the

Senate

Takes effect

90 days from

passage

Thomas H. Hager
Clerk of the Senate

John C. Gresham
Clerk of the House of Delegates

Orval M. Tucker
President of the Senate

John E. Amos
Speaker House of Delegates

The within

Appraised

this the

12th

day of

March

, 1945.

Robert C. McWhorter
Governor.

Filed in the office of the Secretary of State
of West Virginia

MAR 12 1945

Wm. S. O'BRIEN,
Secretary of State