

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1951

ENROLLED

Committee Substitute for

SENATE BILL NO. 53

*(Originated in the Committee
on the Judiciary)*

(By Mr.)

PASSED *March 10,* 1951

In Effect *Thirty days from* Passage



ENROLLED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 53

[Originating in the Committee on the Judiciary.]

[Passed March 10, 1951; in effect ninety days from passage.]

AN ACT to amend article six, chapter forty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section to be designated section two-a, relating to the investment of trust funds by boards of trustees or fiduciaries of any university, college, seminary or other institution of learning and of any hospital, church or other eleemosynary or charitable institution.

Be it enacted by the Legislature of West Virginia:

That article six, chapter forty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be

amended by adding thereto a new section to be designated section two-a to read as follows:

Section 2-a. *Securities in Which Certain Fiduciaries*
2 *May Invest Trust Funds.*—The board of trustees of or any
3 fiduciary for any university, college, seminary or other
4 institution of learning and of any hospital, church or
5 other eleemosynary or charitable institution or associa-
6 tion, in acquiring, investing, reinvesting, exchanging, re-
7 taining, selling and managing property, real or personal,
8 now or hereafter coming into their custody, care or con-
9 trol, other than property of the classes enumerated in
10 section two of this article, shall exercise the judgment
11 and care under the circumstances then prevailing which
12 men of prudence, discretion and intelligence exercise in
13 the management of their own affairs, not in regard to
14 speculation, but in regard to the permanent disposition
15 of their funds, considering the probable income as well
16 as the probable safety of their capital. Within the limita-
17 tions of the foregoing standard, fiduciaries mentioned in
18 this section are authorized to acquire and retain without
19 any order of any court every kind of property real, per-

20 sonal or mixed, and every kind of investment, specifically
21 including but not by way of limitation, bonds, debentures
22 and other corporate obligations, and stocks, preferred or
23 common, which men of prudence, discretion and intelli-
24 gence acquire or retain for their own account, and within
25 the limitations of the foregoing standard, such fiduciaries
26 may retain property properly acquired, without limita-
27 tion as to time and without regard to its suitability for
28 original purchase.

29 Nothing contained in this section shall be construed as
30 authorizing any departure from, or variation of, the
31 express terms or limitations set forth in any will, agree-
32 ment, court order or other instrument creating or de-
33 fining any such fiduciaries' duties and powers, but the
34 terms "legal investment" or "authorized investment" or
35 words of similar import, as used in any such instrument
36 with respect to such fiduciaries shall be taken to include
37 any investment which is permitted by the terms of the
38 preceding paragraph: *Provided, however,* That this para-
39 graph shall not be construed as restricting the power of a
40 court of proper jurisdiction to permit any such fiduciaries

41 to deviate from the terms of any will, agreement, or other
42 instrument relating to the acquisition, investment, rein-
43 vestment, exchange, retention, sale or management of
44 property, real or personal.

45 Nothing contained in this section shall be construed as
46 a declaration of legislative intent that the standards
47 herein prescribed for investments by such fiduciaries shall
48 be denied to or inapplicable with respect to investments
49 by other fiduciaries named in section two of this article.

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

Robert C. Byrd
Chairman Senate Committee

James W. Loop
Chairman House Committee

Originated in the Senate.

Takes effect Ninety days from passage.

Shirvan K. Taylor
Clerk of the Senate

J. R. Griffin
Clerk of the House of Delegates

Samuel R. Houston
President of the Senate

W. E. Hammy
Speaker House of Delegates

The within approved this the 10th
day of March, 1951.

Chas. L. Patton
Governor.



of West Virginia **MAR 16 1951**
D. PITT O'BRIEN,
SECRETARY OF STATE