

ENGROSSED HOUSE  
BILL NO. 1760

By: Weaver of the House  
and  
Henry of the Senate

An Act relating to property; amending 60 O.S. 1991, Section 175.55, as amended by Section 26, Chapter 351, O.S.L. 1995 (60 O.S. Supp. 1996, Section 175.55), which relates to investment of trust assets by bank, trust company, or affiliate; modifying prohibition of certain fees banks or trust companies are permitted to charge; permitting banks and trust companies to receive certain fees from investment companies or investment trusts; requiring disclosure of fees under certain circumstances; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 60 O.S. 1991, Section 175.55, as amended by Section 26, Chapter 351, O.S.L. 1995 (60 O.S. Supp. 1996, Section 175.55), is amended to read as follows:

Section 175.55 A. A bank, trust company, or affiliate of a bank or trust company which serves as a fiduciary, trustee, custodian, managing agent, personal representative, or otherwise may invest and reinvest assets that it maintains in its trust department or trust company in the securities of any open-end or closed-end

management investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C., Section 80a-1 through 80a-64, as amended.

B. Any investment or reinvestment made pursuant to subsection A of this section shall comply with the provisions of the Oklahoma Uniform Prudent Investor Act.

C. A bank, trust company or an affiliate of a bank or trust company which is providing services to an investment company or investment trust as investment adviser, sponsor, distributor, custodian, transfer agent, administrator, registrar, or otherwise and who is receiving reasonable remuneration for such services, may make investments and reinvestments pursuant to subsections A and B of this section in said investment company or investment trust.

D. Any bank, trust company or affiliate of a bank or trust company which makes investments or reinvestments pursuant to subsection C of this section ~~shall not receive any fee or charge for identical services as an investment adviser, sponsor, distributor, custodian, transfer agent, administrator, registrar, or otherwise if it receives any fee or charge for identical services for making investments and reinvestments of the funds when:~~

1. Shall not be required to reduce or waive its fees or charges for services provided in connection with the investment and management of funds it holds as fiduciary, trustee, custodian, managing agent, personal representative, or otherwise because such funds are invested, reinvested, or retained in an investment company or investment trust so long as the total compensation paid, including any fees or charges payable by the investment company or investment trust in connection with the investment of such funds, is reasonable; and

2. May receive fees in accordance with Rule 12b-1 of the Investment Company Act of 1940, or similar fees, from the investment company or investment trust in the same amount that would be paid by

such investment company or investment trust to any other party,  
without reducing or waiving other fees it receives for serving as a  
fiduciary, trustee, custodian, managing agent, personal  
representative or otherwise. Any fees received by a bank, trust  
company, or affiliate of a bank or trust company pursuant to this  
paragraph shall be disclosed to the customer of such bank, trust  
company, or affiliate of the bank or trust company.

SECTION 2. This act shall become effective November 1, 1997.

Passed the House of Representatives the 26th day of February,  
1997.

Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1997.

President of the Senate