

PROPOSED
FIDUCIARIES INVESTMENT ACT
OF 1949

REPORT
OF THE
COMMITTEE ON DECEDENTS' ESTATES LAWS



OF THE
JOINT STATE GOVERNMENT COMMISSION
OF THE GENERAL ASSEMBLY
OF THE COMMONWEALTH OF PENNSYLVANIA

CAPITOL BUILDING
HARRISBURG, PA.

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JOINT STATE GOVERNMENT COMMISSION OF THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as last amended 1943, P. L. 13)

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INTRODUCTION

Pursuant to Senate Resolution Serial No. 46 of the regular session of the Legislature of 1945, the Joint State Government Commission of the General Assembly was directed to study and revise certain laws relative to decedents' estates. As a result of this study there were submitted to the 1947 Legislature an Intestate Act, a Wills Act, an Estates Act, and a Principal and Income Act, all of which were enacted.

At the regular session of the Legislature of 1947, Senate Resolution No. 34 authorized the continuance of the studies commenced under the 1945 Resolution. Under date of December 15, 1948, there was submitted an interim report containing a draft of a proposed "Fiduciaries Act of 1949".

Herewith is submitted a second interim report in the form of a proposed "Fiduciaries Investment Act of 1949", which is a codification of existing laws on fiduciary investments. While the wording of many of the provisions of the proposed Fiduciaries Investment Act of 1949 has been altered to conform with a consistent style, no attempt has been made to alter the substance of existing legislation and case law, except in minor instances where there could be no reasonable basis for a difference of opinion concerning the policy involved.

The Proposed Fiduciaries Investment Act of 1949 brings together in a more orderly arrangement all investment provisions relating to Pennsylvania fiduciaries except personal representatives, whether subject to the jurisdiction of the Orphans' Court or of the Common Pleas Court. Section 506 of the Proposed Fiduciaries Act of 1949 sets forth the limited investment powers of personal representatives.

The Proposed Fiduciaries Act of 1949 preserves from repeal section 41 of the Fiduciaries Act of 1917 dealing with investments authorized for fiduciaries subject to the jurisdiction of the Orphans' Court. The Proposed Fiduciaries Investment Act of 1949 repeals section 41 of the Fiduciaries Act of 1917, as well as several other miscellaneous investment acts. Section 41 of the 1917 Act is unsatisfactory in several respects. The investments listed therein are not set forth in classifications subject to easy reference and the section does not include all authorized investments. Many approved investments appear as minor provisions in miscellaneous acts dealing with other subjects. Also,

some uncertainty exists concerning existing rules relating to investment powers and duties of fiduciaries subject to the jurisdiction of the common pleas courts.

It is the intention of the Joint State Government Commission, through its Committee on Decedents' Estates Laws, and the Advisory Committee composed of orphans' court judges and practitioners familiar with decedents' estates laws, to give careful consideration to suggestions and recommendations concerning this draft of the "Fiduciaries Investment Act of 1949" before it is finally submitted to the Legislature.

Your suggestions and recommendations should be addressed to the research consultant, M. Paul Smith, Norristown-Penn Trust Bldg., Norristown, Pa.

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AN ACT

Concerning the investment powers and duties of guardians, committees, trustees, and other fiduciaries except personal representatives, and prescribing the nature and kind of investments which may be made and retained by such fiduciaries.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

SECTION 1. *Definition of Fiduciary.* The term "fiduciary" as used in this act shall include guardians, committees, trustees and other fiduciaries, whether domiciliary or ancillary, subject to the jurisdiction of the orphans' or common pleas court of any county of the Commonwealth, but shall not include a personal representative.

Comment. See section 506 of the Proposed Fiduciaries Act of 1949 for investment powers of personal representatives.

SECTION 2. *Authorized Investments.* Subject only to the provisions of the trust instrument, if any, a fiduciary may accept, hold, invest in and retain any of the investments authorized by this act, and shall not be liable for loss on such investments so long as he exercises due care and prudence in the performance of his duties in regard to them. "Legal investment" or "authorized investment" or words of similar import used in a trust instrument shall be construed to mean any investment authorized by this act.

Comment. This is based on clauses (a) and (b) of section 41(a)1(17) and section 41(a)3 of the Fiduciaries Act of 1917.

SECTION 3. *Government Obligations.* Obligations of the following governmental bodies or those for the payment of which the faith and credit of any of them is pledged, shall be authorized investments:

(1) The United States;

(2) Any commonwealth or state of the United States or any county, city, borough, town, township, school district, institution district, or other political subdivision of such commonwealth or state, provided that at the time of the investment the commonwealth, state or political subdivision is not in default in the payment of any principal or interest owing upon any part of its funded debt.

Comment. This is based on clauses 1, 2, and 3 of section 41(a)1 of the Fiduciaries Act of 1917. Compare also Fiduciaries Act of 1917, section 41(a)2, and the Act of 1935, P. L. 540, section 3.

SECTION 4. *Obligations of Federal Organizations.* Obligations of the following organizations constituted under the laws of the United States shall be authorized investments:

(1) *National Housing Administration.* Obligations issued pursuant to any housing act of the United States of America heretofore or hereafter enacted, but only if fully and unconditionally guaranteed as to principal and interest by the United States.

Comment. This is based on section 41(a)1(9) of the Fiduciaries Act of 1917. The United States Code cites three acts relating to national housing as follows:

National Housing Act, June 27, 1934, c. 847, 48 Stat. 1246 (12 U. S. C. A. 1701).

National Housing Act Amendments of 1938—Act of February 3, 1938, c. 13 section 1, 52 Stat. 8 (12 U. S. C. A. 1701a).

National Housing Act Amendments of 1942—May 26, 1942, c. 319, section 15, 56 Stat. 305 (12 U. S. C. A. 1701b).

They provide for two kinds of debentures, each to be signed by the Administrator, one the obligation of the Housing Insurance Fund (12 U. S. C. A. 1713(i)) and the other the obligation of the War Housing Insurance Fund: 12 U. S. C. A. 1739(d). Each kind of debenture "shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall be expressed on the face of the debentures."

(2) *Federal Land Banks.* Obligations of any Federal land bank and consolidated obligations of all Federal land banks issued pursuant to the Act of Congress of July seventeenth, one thousand nine hundred and sixteen (39 Stat. 380), and its amendments and supplements heretofore or hereafter enacted.

Comment. This is based on section 41(a)1(10) of the Fiduciaries Act of 1917.

These bonds are not guaranteed as to principal or interest by the United States. 12 U. S. C. A. 941 provides: "Farm-loan bonds issued under the provisions of this chapter by Federal land banks or joint-stock land banks shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits."

(3) *Federal Home Loan Banks.* Obligations of any Federal home loan bank and consolidated obligations of all Federal home loan banks issued pursuant to the Act of Congress of July twenty-second, one thousand nine hundred and thirty-two (47 Stat. 725), and its amendments and supplements heretofore or hereafter enacted.

Comment. This is based on section 41(a)1(13) of the Fiduciaries Act of 1917. See Act of Congress, July 22, 1932, 12 U. S. C. A. 1421.

(4) *Federal Intermediate Credit Banks.* Consolidated obligations of all Federal intermediate credit banks issued pursuant to the Act of Congress of March fourth, one thousand nine hundred and twenty-three (42 Stat. 1456), and its amendments and supplements heretofore or hereafter enacted.

Comment. This is based on section 41(a)1(12) of the Fiduciaries Act of 1917. This section authorizes only consolidated debentures and not the debenture of any one bank. Authority to each bank to issue debentures is in 12 U. S. C. A. 1041, and consolidated debentures in 1044.

SECTION 5. *Obligations of Pennsylvania Governmental Organizations.* Obligations of the following Pennsylvania governmental organizations shall be authorized investments:

(1) *Housing Authorities.* Obligations of any housing authority, issued pursuant to the laws of the Commonwealth relating to the creation or operation of housing authorities.

Comment. This is based on section 41(a)1(15) of the Fiduciaries Act of 1917.

(2) *Municipality Authorities.* Obligations of any municipality authority issued pursuant to the laws of the Commonwealth relating to the creation or operation of municipality authorities, if the obligations are not in default, and if for the period of five fiscal years next preceding the date of acquisition the income of such authority available for fixed charges has averaged not less than one and one-fifth times its average annual fixed charges of such obligations over the life of such obligations. As used in this clause, the term "income available for fixed charges" shall mean income after deducting operating and maintenance expenses, and, unless the obligations are payable in serial, annual maturities, or are supported by annual sinking fund payments, depreciation, but excluding extraordinary non-recurring items of income or expenses; and the term "fixed charges" shall include principal, both maturity and sinking fund, and interest on bonded debt. In computing such income available for fixed charges, for the purposes of this section, the income so available of any corporation acquired by any municipality authority may be included, such income to be calculated as though such corporation had been operated by a municipality authority and an equivalent amount of bonded debt were outstanding.

The eligibility for investment purposes of obligations of each project of a municipality authority shall be separately considered hereunder.

Comment. This is almost identical with section 41(a)1(18.1) of the Fiduciaries Act of 1917, added by the Act of June 5, 1947, P. L. 411.

(3) *Delaware River Joint Commission.* Obligations of the Delaware River Joint Commission issued pursuant to the Act of June twelfth, one thousand nine hundred and thirty-one, pamphlet laws five hundred seventy-five, and its amendments and supplements heretofore or hereafter enacted.

Comment. This is based on the Act of 1931, P. L. 575, Article 10, 36 PS §3503.

(4) *Delaware River Joint Toll Bridge Commission.* Obligations of the Delaware River Joint Toll Bridge Commission issued pursuant to the Act of June twenty-fifth, one thousand nine hundred thirty-one, pamphlet laws one thousand three hundred fifty-two, and its amendments and supplements heretofore or hereafter enacted.

Comment. This is based on the Act of 1931, P. L. 1352, Article 7, 36 PS §3401.

(5) *Delaware Tunnel Board.* Obligations issued by or with the approval of the Delaware Tunnel Board pursuant to the Act of June eighth, one thousand nine hundred forty-seven, pamphlet laws one thousand four hundred fifty-two, and its amendments and supplements heretofore or hereafter enacted.

Comment. This is based on the Act of 1947, P. L. 1452, section 10.

(6) *Pennsylvania Turnpike Commission.* Obligations of the Pennsylvania Turnpike Commission issued pursuant to (a) the Act of May twenty-first, one thousand nine hundred thirty-seven, pamphlet laws seven hundred seventy-four, (b) the Pennsylvania Philadelphia Extension Act of May sixteenth, one thousand nine hundred forty, pamphlet laws (one thousand nine hundred forty-one) nine hundred forty-nine, and (c) the Western Pennsylvania Turnpike Extension Act of June eleventh, one thousand nine hundred forty-one, pamphlet laws one hundred one, and the amendments and supplements of each heretofore or hereafter enacted.

Comment. This is based on language in the three acts to which reference is made. Those acts are: Act of 1937, P. L. 774, section 8, 36 PS §652h; Act of 1940, P. L. (1941) 949, section 11, 36 PS §653j; and Act of 1941, P. L. 101, section 11, 36 PS §654j.

(7) *Pennsylvania Parkway Commission.* Obligations of the Pennsylvania Parkway Commission issued pursuant to the Act of July sixteenth, one thousand nine hundred forty-one, pamphlet laws three hundred eighty-six, and its amendments and supplements heretofore or hereafter enacted.

SECTION 6. *Corporate Bonds.* Any fixed interest-bearing obligation, including bonds, notes, debentures and car trust certificates, issued, guaranteed or assumed by a corporation organized under the laws of the United States, of any commonwealth or state thereof, or of the District of Columbia, shall be an authorized investment if:

(1) Purchased in the exercise of that degree of judgment and care under the circumstances then prevailing which men of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income to be derived therefrom as well as the probable safety of their capital;

(2) Either the issuing corporation or a guaranteeing or assuming corporation has earned a net profit, declared in dividends or carried to surplus, in eight of the preceding ten fiscal years, as reflected in statements submitted to its security holders;

(3) Neither the issuing corporation nor a guaranteeing or assuming corporation has defaulted in the payment of principal or interest on any of its outstanding funded indebtedness during the preceding ten fiscal years; and

(4) The obligation has been issued and sold in conformity with Federal and state laws and regulations.

When a corporation has acquired a substantial part of its property within ten years immediately preceding such investment, by consolidation or merger or by the purchase of a substantial part of the property of any other corporation, the earnings of the predecessor or constituent corporation shall be consolidated and adjusted so as to ascertain whether the requirements of this section have been satisfied.

“Corporation” as used in this section shall include a voluntary association, a joint-stock association or company, a business trust, a Massachusetts trust, a common-law trust and any other organization organized and existing for any lawful purpose and which, like a corporation, continues to exist notwithstanding changes in the personnel of its members or participants and conducts its affairs through a committee, a board or some other group acting in a representative capacity.

Comment. This is similar to section 41(a)1(7) of the Fiduciaries Act of 1917. The definition of corporation is borrowed largely from regulations

of the Commissioner under the Internal Revenue Code relating to the taxation of such organizations as though they were corporations. The word "corporation" has been defined in the building and loan code, the banking code, and for tax purposes in a number of different ways.

SECTION 7. *Mortgages.* One or more bonds or other obligations secured by one or more mortgages shall be an authorized investment if:

(1) *Insured by Federal Housing Administrator.* Insured by the Federal Housing Administrator pursuant to the National Housing Act of June twenty-seventh, one thousand nine hundred and thirty-four (48 Stat. 1246), and its amendments and supplements heretofore or hereafter enacted, or

Comment. This is based on section 41(a)1(8) of the Fiduciaries Act of 1917. See National Housing Act of June 27, 1934, 12 U. S. C. A. 1701.

(2) *Guaranteed or Insured Under Federal Servicemen's Readjustment Act.* Guaranteed or insured under the Federal Servicemen's Readjustment Act of June twenty-second, one thousand nine hundred and forty-four (58 Stat. 284), and its amendments and supplements heretofore or hereafter enacted, provided that at the date of acquisition the guaranty shall be in an amount not less than one-third of the sum invested, or if an insured mortgage, the insurance shall be in an amount not less than fifteen per centum thereof, or

Comment. This is based on section 41(a)1(18.1) of the Fiduciaries Act of 1917, added by amendment of May 31, 1947, P. L. 350, 20 PS 801. For Federal Servicemen's Readjustment Act of 1944, see 38 U. S. C. A. 693.

(3) *Other Mortgages.* At the date of the acquisition or of any extension of the mortgage, it shall meet the following requirements:

(a) Contain an unconditional promise to pay the principal of and interest upon obligations which it secures;

(b) Be a first lien upon improved real estate situated within the Commonwealth, including improved farm lands, prior to all other liens except the lien of taxes previously levied or assessed but not then payable, and except taxes then due or payable or delinquent, for the payment of which taxes provision is made in the mortgage settlement;

(c) The unpaid principal amount of the obligations shall not exceed two-thirds of the fair value of the real estate as fixed by two persons familiar with real estate values in the vicinity who shall have actually inspected it and shall so certify in a

written appraisal preserved among the records of the fiduciary;

(d) The principal debt evidenced by the obligations shall be payable in not more than five years after the date of acquisition by the fiduciary or be amortized within a period of not exceeding twenty years from the date of the acquisition in installments totalling in each year not less than three per centum thereof;

(e) All interest has been paid in full to the next preceding interest payment date.

(f) Nothing in this clause (3) shall be construed to be a limitation upon the power of a fiduciary to accept a purchase money obligation in exchange for an asset of the estate or trust upon such terms and conditions and with such security as shall be reasonable under the circumstances.

Comment. This is based on section 41(a)1(4) and section 41(a)1(17d) of the Fiduciaries Act of 1917. Paragraph (f) is included to make it clear clause (3) cannot be construed to apply to purchase money obligations. As redrafted this clause includes the definition of "fair value" of real estate for appraisal purposes and gives no concern to the original condition of the mortgage.

SECTION 8. *Fractional Interest in Mortgages.* A fractional interest in an obligation naming the fiduciary as the obligee secured by one or more mortgages shall be an authorized investment for an estate of which the fiduciary is sole fiduciary or co-fiduciary if the whole of the obligation would be an authorized investment under the provisions of section seven of this act. Appraisal of the real estate subject to the lien of such mortgage or mortgages need not be made concurrently with the acquisition of such fractional interest if an appraisal has been made within three years immediately preceding the acquisition in accordance with the requirements of section 7(3) of this act and if a person qualified at the time of the acquisition to serve as an appraiser of the real estate shall certify in a writing to be preserved among the fiduciary's records that at the date of the acquisition the unpaid principal amount of the obligation does not exceed two-thirds of the fair value of the real estate.

Comment. This is based on section 41(a)1(6) of the Fiduciaries Act of 1917. No provision is made for investment in fractional interests in stocks and bonds. Such investment does not seem to be feasible. Provision for investment in common trust funds or mortgage investment funds is found in section 13.

SECTION 9. *Stocks.*

(a) *Preferred Stock.* Preferred stock of any corporation organized under the laws of the United States or of any state or commonwealth thereof or of the District of Columbia shall be an authorized investment if:

(1) Purchased in the exercise of that degree of judgment and care under the circumstances then prevailing which men of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income to be derived therefrom as well as the probable safety of their capital;

(2) The corporation issuing the stock has earned a net profit, declared in dividends or carried to surplus, in eight of the preceding ten fiscal years, as reflected in statements issued to its security holders, and during each of the preceding ten fiscal years has paid dividends in the specified amounts upon all its preferred stock issued and outstanding during such year; and

(3) Listed (or if unlisted shall be eligible for listing and application for such listing shall have been made) on the New York Stock Exchange or any other exchange approved by the Secretary of Banking, and issued and sold in conformity with all Federal and state laws and regulations.

When a corporation has acquired a substantial part of its property within ten years immediately preceding the investment, by consolidation or merger or by the purchase of a substantial part of the property of any other corporation, the earnings of the predecessor or constituent corporation shall be consolidated and adjusted so as to ascertain whether the requirements of this section have been satisfied.

“Corporation” as used in this section shall include a voluntary association, a joint-stock association or company, a business trust, a Massachusetts trust, a common-law trust and any other organization organized and existing for any lawful purpose and which, like a corporation, continues to exist notwithstanding changes in the personnel of its members or participants, and conducts its affairs through a committee, a board or some other group acting in a representative capacity.

Comment. This is similar to section 41(a)1(16) of the Fiduciaries Act of 1917. As to the definition of “corporation”, see comment to section 6(4) of this act. Under clause (3) it should be noted that there are some securi-

ties having trading privileges which are not actually "listed" on the particular exchange and therefore would not qualify.

(b) *Shares Insured by Federal Savings and Loan Insurance Corporation.* Shares of any building and loan association incorporated under the laws of the Commonwealth, or of any Federal savings and loan association incorporated under the laws of the United States, shall be an authorized investment if the withdrawal or repurchase value thereof is insured by the Federal Savings and Loan Insurance Corporation pursuant to the Act of Congress of June twenty-seventh, one thousand nine hundred and thirty-four (48 Stat. 1255), and its supplements and amendments heretofore or hereafter enacted.

Comment. This is almost identical with section 41(a)1(14) of the Fiduciaries Act of 1917.

SECTION 10. *Real Estate.* Real estate located in Pennsylvania other than ground rents shall be an authorized investment if the court upon petition, aided if necessary by the report of a master and being of the opinion that the investment will be for the advantage of the estate and that no change will be made in the course of succession by the investment, shall direct such investment.

Comment. This is based on section 41(a)2 of the Fiduciaries Act of 1917.

SECTION 11. *Ground Rent.* A ground rent secured upon unencumbered improved real estate located within the Commonwealth shall be an authorized investment, if the reserved annual rent, capitalized at the rate of five per centum per annum, shall not exceed two-thirds of the fair value of the real estate out of which it issues, determined by appraisal as in the case of mortgages.

Comment. This is based on section 41(a)1(5) of the Fiduciaries Act of 1917.

SECTION 12. *Interest-Bearing Deposit.* An interest-bearing deposit in any bank, bank and trust company, savings bank, or national banking association located within the Commonwealth shall be an authorized investment if:

(1) Not in the commercial department of a corporate fiduciary of the estate or trust to which the funds belong;

(2) The maturity date or the permissible date of withdrawal does not exceed one year from the date of the deposit or any renewal thereof, and

(3) The aggregate of such deposits does not exceed one thousand five hundred dollars.

Comment. This is based on section 41(a)1(11) of the Fiduciaries Act of 1917.

SECTION 13. *Common Trust Fund and Mortgage Investment Fund.* Any corporate fiduciary, and its individual co-fiduciary if any, may invest in:

(1) A common trust fund, containing only investments authorized for fiduciaries, established and maintained by the corporate fiduciary in conformity with the laws of the Commonwealth and of the United States, and

(2) A mortgage investment fund, containing only mortgages and other investments authorized for fiduciaries, established and maintained by the corporate fiduciary in conformity with the laws of the Commonwealth and of the United States.

Comment. This takes the place of the portion of section 41(a)1(6) of the Fiduciaries Act of 1917 which was omitted in section 8 of this act.

SECTION 14. *Retention of Unauthorized Investments.* A fiduciary may retain without liability for resulting loss any asset received in kind even though it is not an authorized investment, provided he exercises due care and prudence in the disposition or retention of any such nonlegal investment.

Comment. This is based on section 41(a)1(17c) of the Fiduciaries Act of 1917. See section 49(e) of the Fiduciaries Act of 1917.

SECTION 15. *Life Insurance, Building and Loan Shares, and Similar Assets.* A fiduciary receiving in kind a contract of life insurance, stock in a building and loan association or any similar asset providing for periodic payments may retain it and continue to make the periodic payments and otherwise comply with the provisions thereof without liability for resulting loss, so long as he, in the exercise of due care and prudence, shall consider advisable under the circumstances.

Comment. This is new. See, however, the Act of 1929, P. L. 149, which was held unconstitutional by Judge Trimble in Solomon's Petition, 77 P. L. J. 545.

SECTION 16. *Investments Which Become Unauthorized.* A fiduciary may retain without liability for resulting loss any investment which was authorized when received or made although such investment no longer qualifies as an authorized investment,

provided he exercises due care and prudence in the disposition or retention of any such nonlegal investment.

Comment. This is based on section 41(a)1(17c) and section 41(a)3 of the Fiduciaries Act of 1917.

SECTION 17. *Court Direction.* A fiduciary appointed by the court and not acting under a trust instrument, in addition to or in place of the investments authorized by this act, may make and retain without liability for resulting loss such investments as the court, upon petition of a party in interest and after such notice as it shall direct, aided by the report of a master if necessary, shall authorize or direct, subject only to such conditions and limitations as shall be fixed by the court in the decree authorizing or directing the investment.

Comment. This is based on section 34 of the Act of 1836, P. L. 589, 50 PS §755.

SECTION 18. *Directions of Settlor.* The testator or settlor in the instrument establishing a trust, may prescribe the powers, duties and liabilities of the fiduciary regarding the investment or non-investment of principal and income and the acquisition by purchase or otherwise, retention and disposition by sale or otherwise, of any property which at any time or by reason of any circumstance shall come into his control; and whenever any such provision shall conflict with this act, such provision shall control notwithstanding this act. In the absence, however, of an express restriction to the contrary in the trust instrument, the fiduciary may invest in any investment authorized by this act.

Comment. There is no statutory precedent for this section. However, it is declaratory of existing case law. The last sentence is intended to make it possible for the fiduciary to invest in investments authorized by this act, even though the trust instrument indicates that other investments shall be made.

SECTION 19. *Severability.* If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of this act and the application of such provision to other persons or circumstances shall not be affected thereby, and to this end the provisions of this act are declared to be severable.

Comment. This is identical with section 18 of the Estates Act of 1947.

SECTION 20. *Short Title.* This act shall be known and may be cited as The Fiduciaries Investment Act of 1949.

SECTION 21. *Repealer.* The following acts and parts of acts and all amendments of each are hereby repealed as respectively indicated:

Comment. Here will be listed section 34 of the Act of June 13, 1836, P. L. 589, absolutely; section 41 of the Fiduciaries Act of 1917, absolutely; Act of 1933, P. L. 111, Special Session, absolutely; Act of 1935, P. L. 540, absolutely; Act of 1937, P. L. 1183, insofar as it applies to fiduciaries as defined in this act.

SECTION 22. *Effective Date.* The provisions of this act shall become effective upon final enactment and shall apply to all investments thereafter held or acquired by fiduciaries.