



**SENATE AMENDMENT 5,  
TO 1995 SENATE BILL 440**

January 9, 1996 – Offered by Senator ADELMAN.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 7: delete “and” and substitute a comma; and before the period  
3 insert “and granting rule-making authority”.

4 **2.** Page 10, line 25: after that line insert:

5 “**SECTION 12m.** 881.01 (intro.) of the statutes is amended to read:

6 **881.01 Investment; prudent person rule.** (intro.) Except as provided in ss.  
7 25.15 and, 25.17 (2) (c) and 881.013, personal representatives, guardians and  
8 trustees may invest the funds of their trusts in accordance with the provisions  
9 pertaining to investments contained in the instrument under which they are acting,  
10 or in the absence of any such provision, then within the limits of the following  
11 standards:”.

12 **3.** Page 11, line 1: after that line insert:

13 “**SECTION 13m.** 881.013 of the statutes is created to read:

14 **881.013 Self-dealing prohibitions.** (1) A bank or trust company exercising  
15 investment discretion as fiduciary may not invest the funds for which it has

1 investment discretion in stock or obligations of, or property acquired from, the bank  
2 or its directors, officers, employees or affiliates, except as follows:

3 (a) Unless prohibited by the instrument creating the trust, a bank may deposit  
4 funds that are held in trust and are awaiting investment or distribution in another  
5 department of the bank if, for any deposits that are uninsured by the Federal Deposit  
6 Insurance Corporation, the bank first sets aside as collateral security, under the  
7 control of the trust department, securities or obligations identified in rules  
8 promulgated by the commissioner of banking in an amount that is at all times at least  
9 equal to the amount of the funds so deposited. The commissioner of banking shall  
10 periodically revise rules promulgated under this paragraph so that the securities  
11 and obligations identified in the rules are consistent with the securities and  
12 obligations identified in 12 CFR 9.10 (b) (1) to (3).

13 (b) Unless prohibited by the instrument creating the trust, a bank or trust  
14 company may invest funds that are held in trust in stock or obligations of an  
15 affiliated investment company, investment trust or collective investment vehicle in  
16 accordance with s. 881.015 (3).

17 (2) Property held by a bank or trust company exercising investment discretion  
18 as fiduciary may not be sold or transferred, by loan or otherwise, to the bank or its  
19 directors, officers, employees or affiliates, except to the extent permitted by the  
20 commissioner of banking by rule. The commissioner of banking shall periodically  
21 revise rules promulgated under this subsection so that a bank or trust company may  
22 sell or transfer property under this subsection to the same extent that a national  
23 bank is permitted to sell or transfer property under 12 CFR 9.12 (b) (2) to (4).

24 **SECTION 13s.** 881.013 (1) (a) and (2) of the statutes, as created by 1995  
25 Wisconsin Act .... (this act), are amended to read:

