

have in charge the enforcement of said law, and the power to make rules and regulations for the enforcement of said law, and providing for the purchase of samples of drugs for determining their quality, strength, and purity,' providing for the registration of apprentices in pharmacy, requiring employers of such apprentices to see that they are registered, and imposing penalties."

(8) The act of May 16, 1945 (P. L. 615), entitled "An act to protect the public health and safety by requiring registration with and the securing of certificates of registration from the State Board of Pharmacy by persons, copartnerships, associations and corporations engaged in the manufacture or production of drugs and medical supplies; regulating the manufacture of drugs and medical supplies as herein defined; prohibiting the manufacture, possession or sale of adulterated or misbranded drugs and medical supplies; prescribing certificates of registration; providing for inspections and the suspension and revocation of certificates of registration; conferring powers on the State Board of Pharmacy and courts; and providing penalties."

Section 11. General Repeal.—All other acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

Section 12. Severability.—If any part, section, subsection, sentence, clause or phrase in this act shall be held unconstitutional or invalid for any reason, such invalidity shall not affect the validity of the remaining portion of the act.

Effective date.

Section 13. This act shall take effect on January 2, 1962.

APPROVED—The 27th day of September, A. D. 1961.

DAVID L. LAWRENCE

No. 700

AN ACT

Amending the act of May 26, 1949 (P. L. 1828), entitled "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," making further provisions concerning authorized investments in corporate bonds and stock.

Fiduciaries
Investment Act
of 1949.

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

Section 1. Section 6, act of May 26, 1949 (P. L. 1828), known as "Fiduciaries Investment Act of 1949," is amended to read:

Section 6, act of May 26, 1949, P. L. 1828, amended.

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 or retained 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 in eight of the preceding ten fiscal years, as reflected in its statements; and

(3) either the issuing corporation or an assuming corporation has not defaulted in the payment of principal or interest on any of its outstanding funded indebtedness during the preceding ten fiscal years.

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 or corporations, the earnings of the predecessor or constituent corporations shall be consolidated 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, a *municipal or quasi-municipal corporation by whatever *name called*, 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.

Section 2. Subsection (a), section 9 of the act, amended February 28, 1956 (P. L. 1190), is amended to read:

Subsection (a), section 9 of the act, amended February 28, 1956, P. L. 1190, further amended.

Section 9. Stocks.—

(a) Preferred and Common Stock. Preferred and

* "named" in original.

common stock of any corporation organized under the laws of the United States or of any Commonwealth or State thereof, or of the District of Columbia, shall be an authorized investment if [(1)] purchased *or retained* 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) in the case of preferred stock, the corporation issuing the stock has earned a net profit in eight of the preceding ten fiscal years, as reflected in its statements, and during each of the preceding ten fiscal years has paid dividends in the specified amounts upon all its preferred stock, if any, outstanding during such year;

(3) in the case of common stock, the corporation issuing the stock has earned a net profit in twelve of the preceding sixteen years, as reflected in its statements, and during each of the preceding sixteen fiscal years has paid dividends in the specified amounts upon all its preferred stock, if any, outstanding during said year and in each of at least twelve of the preceding sixteen fiscal years has paid dividends in some amount upon all its common stock, if any, outstanding during such year; and

(4) in the case of any stock other than stock of a bank or insurance company or of an investment company (as hereinafter defined), the stock is listed or traded (or if unlisted or not entitled to trading privileges, 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.

No investment in common stock shall be made which, at that time, would cause the market value of the investments in common stocks to exceed one-third of the market value of the estate, not including in such market value the value of any participation in a common trust fund. No sale or other liquidation of any investment shall be required solely because of any change in market values whereby the percentages of stocks hereinabove set forth are exceeded. In determining the market value of an estate, a fiduciary may rely upon published market quotations as to those investments for which such quotations are available and upon such valuations of other property as in his best judgment seem fair and reasonable according to available information.

When a corporation has acquired a substantial part of its property, within sixteen years immediately pre-

ceding the investment, by consolidation or merger or by the purchase of a substantial part of the property of any other corporation or corporations, the earnings of the predecessor or constituent corporations shall be consolidated so as to ascertain whether the net profit requirements of this section have been satisfied, and the dividend requirements of this section shall be satisfied by payment of the required dividends by any predecessor or constituent corporation.]

“Corporation” as used in this section shall include *an investment company (as hereinafter defined)*, 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.

“Investment Company” as used in this section shall mean a corporation (as defined in this section) which is registered as an investment company under the Federal Investment Company Act of 1940, as from time to time amended, and which has no preferred stock, bonds, loans or any other outstanding securities having preference or priority as to assets or earnings over its common stock and which shall have net assets of not less than ten million dollars (\$10,000,000) at the date of purchase.

“Common Stock” as used in this section shall include the stock certificates, certificates of beneficial interests or trust participation certificates issued by any corporation or unincorporated association included under the definition of “corporation” in [the preceding paragraph] *this section.*

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Section 3. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 28th day of September, A. D. 1961.

DAVID L. LAWRENCE

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No. 701

AN ACT

Amending the act of June 1, 1959 (P. L. 392), entitled “An act relating to the retirement of State employes; amending, revising, consolidating and changing the laws relating thereto,” defining superannuation retirement age for retirement of enforcement personnel of the Pennsylvania Liquor Control Board as members of Class C.