

No. 242

AN ACT

SB 1606

Amending Title 20 (Probate, Estates and Fiduciaries Code) of the Consolidated Pennsylvania Statutes to authorize the deposit by fiduciaries and attorneys-in-fact for fiduciaries of securities in a clearing corporation and to confirm the authority to hold securities of the United States Treasury and United States agencies in book-entry form.

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

Section 1. As much as relates to section 3321 of the Subchapter B analysis of Chapter 33 of Title 20, act of November 25, 1970 (P.L.707, No.230), known as the Consolidated Pennsylvania Statutes, added June 30, 1972 (P.L.508, No.164), is amended to read:

SUBCHAPTER B
PERSONAL REPRESENTATIVES:
POWERS, DUTIES AND LIABILITIES

Sec.

* * *

3321. Nominee registration; corporate fiduciary as attorney-in-fact; *deposit of securities in a clearing corporation; book-entry securities.*

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Section 2. Section 3321 of Title 20 of the act, added June 30, 1972 (P.L.508, No.164), is amended by amending the section heading and adding subsections to read:

§ 3321. Nominee registration; corporate fiduciary as attorney-in-fact; *deposit of securities in a clearing corporation; book-entry securities.*

* * *

(d) Deposit of securities in a clearing corporation.—A personal representative holding securities in its fiduciary capacity, any bank and trust company, trust company or National bank holding securities as an attorney-in-fact pursuant to subsection (c) of this section, is authorized to deposit or arrange for the deposit of such securities in a clearing corporation (as defined in Article 8 of the Uniform Commercial Code). When such securities are so deposited, certificates representing securities of the same class of the same issuer may be merged and held in bulk in the name of the nominee of such clearing corporation with any other such securities deposited in such clearing corporation by any person regardless of the ownership of such securities, and certificates of small denomination may be merged into one or more certificates of larger denomination. The records of such fiduciary and the records of such bank and trust company, trust company or National bank acting as

attorney-in-fact for a personal representative shall at all times show the name of the party for whose account the securities are so deposited. Title to such securities may be transferred by bookkeeping entry on the books of such clearing corporation without physical delivery of certificates representing such securities. A bank and trust company, trust company or National bank so depositing securities pursuant to this section shall be subject to such rules and regulations as, in the case of State chartered institutions, the Department of Banking and, in the case of National banking associations, the comptroller of the currency may from time to time issue including, without limitation, standards for, or the method of making a determination of, the financial responsibility of any clearing corporation in which securities are deposited. A bank and trust company, trust company or National bank acting as custodian for a personal representative shall, on demand by the personal representative, certify in writing to the personal representative the securities so deposited by such bank and trust company, trust company or National bank in such clearing corporation for the account of such personal representative. A personal representative shall, on demand by any party to a judicial proceeding for the settlement of such personal representative's account or on demand by the attorney for such party, certify in writing to such party the securities deposited by such personal representative in such clearing corporation for its account as such personal representative.

(e) With respect to United States Treasury securities and securities of agencies, instrumentalities and establishments of the United States for which securities in book-entry form are available as an alternative to securities in definitive form under procedures in effect from time to time pursuant to regulations, rules or operating circulars of the United States Treasury, Federal Reserve banks and other agencies, instrumentalities and establishments of the United States, the receipt, holding or transfer of such securities in book-entry form by a bank and trust company, trust company or National bank acting as a sole or joint personal representative, or as an attorney-in-fact for a personal representative, is for all purposes equivalent to the receipt, holding or transfer of such securities in definitive form and no segregation of such book-entry securities shall be required other than by appropriate accounting records to identify the accounts for which such securities are held.

Section 3. Paragraph (8) of section 7133 of Title 20 of the act, added June 30, 1972 (P.L.508, No.164), is amended to read:

§ 7133. Powers, duties and liabilities identical with personal representatives.

The provisions concerning the powers, duties and liabilities of a trustee shall be the same as those set forth in this code for the administration of a decedent's or a minor's estate with regard to the following:

* * *

(8) Nominee registration, *deposit of securities in a clearing corporation and holding of securities in book-entry form*, as in section 3321 (relating to nominee registration; corporate fiduciary as attorney-in-fact; *deposit of securities in a clearing corporation; book-entry securities*).

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Section 4. This act shall take effect immediately and shall apply without regard to the date of the instrument or court order under which a fiduciary is acting or may act.

APPROVED—The 10th day of October, A. D. 1974.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 242.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive, flowing style.

Secretary of the Commonwealth.