

January 11, 1951.  
Passed on File.

**Senate File 70**  
By BEKMAN, BYERS, JACOBSON,  
MERCER, SHARP and WATSON  
of Pottawattamie.

Passed Senate, Date .....

Vote: Ayes..... Nays.....

Passed House, Date .....

Vote: Ayes..... Nays.....

Approved .....

## A BILL FOR

An Act to repeal sections six hundred eighty-two point twenty-three (682.23), six hundred eighty-two point twenty-four (682.24), and six hundred eighty-two point twenty-five (682.25), Code 1950, and to enact a substitute therefor relating to the investment, reinvestment, exchange, retention, sale and management of property held in trust by fiduciaries.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 Section 1. That sections six hundred eighty-two point  
2 twenty-thre (682.23), six hundred eighty-two point twenty-four  
3 (682.24) and six hundred eighty-two point twenty-five (682.25),  
4 Code 1950, be repealed and the following enacted in lieu  
5 thereof:

6 "Section 682.23. (1) In acquiring, investing, rein-  
7 vesting, exchanging, retaining, selling and managing property  
8 for the benefit of another, a fiduciary shall exercise the  
9 judgment and care under the circumstances then prevailing,  
10 which men of prudence, discretion and intelligence exercise  
11 in the management of their own affairs, not in regard to  
12 speculation but in regard to the permanent disposition of

13 their funds, considering the probable income as well as the  
14 probable safety of their capital. Within the limitations of  
15 the foregoing standard, a fiduciary is authorized to acquire  
16 and retain every kind of property real, personal or mixed,  
17 and every kind of investment, specifically included but not  
18 by way of limitations, bonds, debentures and other corporate  
19 obligations, and stocks, preferred or common and securities  
20 of any open-end or closed-end management type investment  
21 company or investment trust registered under the Federal In-  
22 vestment Company Act. of 1940, as from time to time amended,  
23 which men of prudence, discretion and intelligence acquire or  
24 retain for their own account, and within the limitations of  
25 the foregoing standard, a fiduciary may retain property  
26 properly acquired, without limitation as to time and without  
27 regard to its suitability for original purchase.

28 (2) Nothing contained in this Act shall be construed  
29 as authorizing any departure from, or variation of, the ex-  
30 press terms or limitations set forth in any will, agreement,  
31 court order or other instrument creating or defining the fi-  
32 duciary's duties and powers, but the terms "legal investment"  
33 or "authorized investment" or words of similar import, as used  
34 in any such instrument, shall be taken to mean any investment  
35 which is permitted by the terms of Paragraph (1) hereof.

36 (3) Nothing contained in this Act shall be construed as  
37 restricting the power of a court of proper jurisdiction to per-  
38 mit a fiduciary to deviate from the terms of any will, agree-

39 ment, or other instrument relating to the acquisition, investment,  
40 reinvestment, exchange, retention, sale or management of fi-  
41 duciary property.

42 (4) The provisions of this Act shall govern fiduciaries  
43 acting under wills, agreements, court orders and other instru-  
44 ments now existing or hereafter made.

45 (5) Fiduciaries shall not so acquire property or se-  
46 curities from themselves and corporate fiduciaries shall not  
47 acquire such investments or securities from themselves, their  
48 stockholders, directors, officers or employees.”