



Sen. Terry Link

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09300SB2634sam001

LRB093 18195 SAS 47807 a

1 AMENDMENT TO SENATE BILL 2634

2 AMENDMENT NO. _____. Amend Senate Bill 2634 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Corporate Fiduciary Act is amended by
5 adding Section 9-7 as follows:

6 (205 ILCS 620/9-7 new)

7 Sec. 9-7. Investments and participation by affiliates.

8 (a) Any bank or trust company acting in its fiduciary
9 capacity may purchase services or products, including, but not
10 limited to, life insurance, equity derivatives, or securities
11 underwritten or otherwise distributed by an affiliate of such
12 bank or trust company or its affiliate directly from such
13 affiliate or from a syndicate or selling group which includes
14 the bank, trust company, or its affiliate, provided that the
15 purchase is otherwise prudent and not prohibited by the
16 instrument governing the fiduciary relationship. The
17 provisions of this Section shall apply to such purchases of
18 services or products made at the time of the initial offering
19 thereof or at any time thereafter.

20 (b) The compensation for the services or products may be in
21 addition to the compensation to which the bank, trust company,
22 or its affiliate is otherwise entitled as fiduciary.

23 (c) Any bank or trust company acting in its fiduciary
24 capacity may effect such purchases of services or products with

1 or through its affiliate, provided that the fees paid to its
2 affiliate and the terms and conditions of such purchases are
3 reasonable and the transaction is not prohibited by the
4 instrument governing the fiduciary relationship.

5 (d) A bank or a trust company shall disclose at least
6 annually any purchase authorized by this Section that was made
7 by the bank or trust company during the reporting period. The
8 disclosure shall be given, in writing or electronically, to all
9 persons entitled to receive statements of account activity, and
10 shall include any capacities in which the bank or trust company
11 or an affiliate acts for the issuer of the securities or the
12 provider of the products or services and the fact that the
13 bank, trust company or an affiliate may have an interest in the
14 products or services.

15 (e) Notwithstanding the applicable provisions of Illinois
16 law, including Section 2 of this Act, the provisions of this
17 Section apply to any bank or trust company doing banking or
18 trust business in this State, including, without limiting the
19 generality of the foregoing, any national bank, national trust
20 company, or any of its affiliates even if its principal place
21 of business is not in this State.

22 Section 99. Effective date. This Act takes effect January
23 1, 2005."