

FIDUCIARIES, STAY OF SUITS AGAINST
Act of Jul. 2, 1935, P.L. 524, No. 201
AN ACT

Cl. 07

Authorizing courts to stay suits or proceedings brought against any corporate fiduciary to enforce payment of cash by the fiduciary, for the reason that it has made and carried a trust investment solely in its corporate name on the public records, provided such investment has been kept separate and apart from its corporate assets by the fiduciary, and clearly designated on its records as the property of the trust estate.

Be it enacted, &c., as follows:

Section 1. In any suit, action or proceeding hereafter commenced to enforce the payment of cash by a bank, bank and trust company, or a trust company, acting as fiduciary by reason of the fact that any mortgage upon real estate securing a bond, or real estate acquired thereunder constituting a trust investment has been carried in the name of such corporate fiduciary on the public records, the court having jurisdiction over such suit, action or proceeding may, upon such terms and conditions as to it seem necessary and proper under the circumstances of each case, stay such suit, action or proceeding, for a period not exceeding two years from the effective date of this act, upon petition of the corporate fiduciary, showing the investment to have been made in good faith for the account of the cestuis que trustent, and otherwise in compliance with law, and that such investment has been kept separate and apart from the corporate assets of the fiduciary on its own books and records, and clearly designated thereon as the property of the cestuis que trustent.

Section 2. In exercising the powers conferred by this act, the courts shall have the discretion of a chancellor sitting in equity. It shall be a sufficient reason for the grant of a stay that the proceeding would work serious inequity by reason of the economic emergency, and the right to stays on writs of execution under existing laws.

Section 3. This act shall not in any manner alter, limit or repeal any rights or powers heretofore or hereafter granted to banks, banks and trust companies, and trust companies respecting the investment of fiduciary funds in mortgage or securities pools, or participations therein.

Section 4. If any clause, phrase, section, or part of this act is held by any court to be unconstitutional, such ruling shall not affect the validity of the remaining or other portions of this act; it being the legislative intent that the provisions of this act are severable.

Section 5. All acts or parts of acts inconsistent herewith are suspended while this act is in effect.

Section 6. This act shall become effective immediately upon final passage by the Legislature and approval by the Governor.