

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 2453

Session of  
1984

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INTRODUCED BY F. E. TAYLOR AND L. E. SMITH, SEPTEMBER 18, 1984

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AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
OCTOBER 2, 1984

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## AN ACT

1 Amending the act of November 30, 1965 (P.L.847, No.356),  
2 entitled "An act relating to and regulating the business of  
3 banking and the exercise by corporations of fiduciary powers;  
4 affecting persons engaged in the business of banking and  
5 corporations exercising fiduciary powers and affiliates of  
6 such persons; affecting the shareholders of such persons and  
7 the directors, trustees, officers, attorneys and employes of  
8 such persons and of the affiliates of such persons; affecting  
9 national banks located in the Commonwealth; affecting persons  
10 dealing with persons engaged in the business of banking,  
11 corporations exercising fiduciary powers and national banks;  
12 conferring powers and imposing duties on the Banking Board,  
13 on certain departments and officers of the Commonwealth and  
14 on courts, prothonotaries, clerks and recorders of deeds;  
15 providing penalties; and repealing certain acts and parts of  
16 acts," providing for the transfer of fiduciary accounts.

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

19 Section 1. The act of November 30, 1965 (P.L.847, No.356),  
20 known as the Banking Code of 1965, is amended by adding a  
21 section to read:

22 Section 408. Transfer of Fiduciary Accounts

23 (a) Definitions--The definitions set forth in section 115(a)  
24 shall also apply to this section.

~~(b) Transfer of accounts With the prior written approval of, and in accordance with the terms and conditions of transfer prescribed by the department, a Pennsylvania bank holding company may cause the transfer of one or more of the fiduciary accounts of one or more of the institutions or trust companies controlled by such bank holding company to either:~~

~~(i) another of such institutions or trust companies; or~~

~~(ii) to a newly formed trust company or institution also controlled by such bank holding company.~~

~~(c) Effect of transfer If a Pennsylvania bank holding company completes a transfer as described in subsection (b), the institution or trust company to which the fiduciary accounts of the other institutions or trust companies have been transferred shall be automatically substituted by reason of such transfer as fiduciary of all accounts held in that capacity by such transferring institutions or trust companies, without further action and without any order or decree of any court or public officer, and shall have all the rights and be subject to all the obligations of such transferring institutions or trust companies as fiduciary.~~

~~(d) Rights of parties The provisions of section 1608 shall apply to any person having an interest in an account affected by a transfer permitted by this section, and to the institution or trust company to which the fiduciary accounts have been transferred pursuant to this section, as if the transfer permitted by subsection (b) were a merger or a consolidation for the purposes of section 1608 and such institution or trust company were a resulting institution or a resulting national bank within the meaning of section 1608.~~

~~(B) TRANSFER OF ACCOUNTS--WITH THE PRIOR WRITTEN APPROVAL~~

1 OF, AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF TRANSFER  
2 PRESCRIBED BY THE DEPARTMENT, AND UPON COMPLETION OF THE NOTICE  
3 PROCEDURES OF SUBSECTION (C) WITHOUT OBJECTION, A PENNSYLVANIA  
4 BANK HOLDING COMPANY MAY CAUSE THE TRANSFER OF ONE OR MORE OF  
5 THE FIDUCIARY ACCOUNTS OF ONE OR MORE OF THE INSTITUTIONS OR  
6 TRUST COMPANIES CONTROLLED BY SUCH BANK HOLDING COMPANY TO  
7 EITHER:

8 (I) ANOTHER OF SUCH INSTITUTIONS OR TRUST COMPANIES; OR

9 (II) A NEWLY FORMED TRUST COMPANY OR INSTITUTION ALSO  
10 CONTROLLED BY SUCH BANK HOLDING COMPANY.

11 (C) NOTICE PROCEDURE--PRIOR TO EFFECTING A TRANSFER OF ONE  
12 OR MORE FIDUCIARY ACCOUNTS UNDER SUBSECTION (B), A PENNSYLVANIA  
13 BANK HOLDING COMPANY SHALL CAUSE NOTICE THAT SUCH A TRANSFER  
14 WILL TAKE PLACE TO BE GIVEN TO THE SETTLOR OF THE ACCOUNT, OR IF  
15 THE SETTLOR IS DECEASED, TO PERSONS WHO ARE READILY  
16 ASCERTAINABLE AS BENEFICIARIES OF THE ACCOUNT BY THEIR RECEIPT  
17 OF STATEMENTS OF THE ACCOUNT. SUCH NOTICE SHALL ALSO BE GIVEN TO  
18 ANY CO-FIDUCIARY OF THE ACCOUNT. IF THE PERSONS OR THEIR LEGAL  
19 REPRESENTATIVES OR GUARDIANS, IN THE CASE OF MINOR CHILDREN OR  
20 INCOMPETENTS, TO WHOM THE NOTICE REQUIRED BY THIS SUBSECTION HAS  
21 BEEN GIVEN, DO NOT MAKE WRITTEN OBJECTION TO THE INSTITUTION OR  
22 TRUST COMPANY THEN ACTING AS FIDUCIARY OF THE ACCOUNT OR TO THE  
23 HOLDING COMPANY WHICH ISSUED THE NOTICE WITHIN 15 DAYS OF THE  
24 DATE THE NOTICE WAS MAILED, THEN THE HOLDING COMPANY MAY  
25 COMPLETE THE TRANSFER OF THE ACCOUNT.

26 (D) EFFECT OF TRANSFER--IF A PENNSYLVANIA BANK HOLDING  
27 COMPANY COMPLETES A TRANSFER AS DESCRIBED IN SUBSECTIONS (B) AND  
28 (C), THE INSTITUTION OR TRUST COMPANY TO WHICH THE FIDUCIARY  
29 ACCOUNTS OF THE OTHER INSTITUTIONS OR TRUST COMPANIES HAVE BEEN  
30 TRANSFERRED SHALL BE AUTOMATICALLY SUBSTITUTED BY REASON OF SUCH

1 TRANSFER AS FIDUCIARY OF ALL ACCOUNTS HELD IN THAT CAPACITY BY  
2 SUCH TRANSFERRING INSTITUTIONS OR TRUST COMPANIES, WITHOUT  
3 FURTHER ACTION AND WITHOUT ANY ORDER OR DECREE OF ANY COURT OR  
4 PUBLIC OFFICER AND SHALL HAVE ALL THE RIGHTS AND BE SUBJECT TO  
5 ALL THE OBLIGATIONS OF SUCH TRANSFERRING INSTITUTIONS OR TRUST  
6 COMPANIES AS FIDUCIARY.

7       Section 2. This act shall take effect immediately.