

TC21 Fiduciary Self-Dealing [Section 11-109-103, C.R.S.]

- A. Unless ~~lawfully~~ authorized by applicable law ~~the instrument creating the relationship, by court order or by Colorado law, funds held by~~ a trust company may not invest funds of ~~as~~ fiduciary ~~account~~ shall for which a trust company has investment discretion not be invested in ~~the~~ stock or obligations of, or ~~property~~ assets acquired from ~~;~~ the trust company or its directors, officers or employees; ~~of~~ such affiliates of the trust company or any of their directors, officers, or employees; or organizations with whom there exists an interest that might affect the exercise of the best judgment of the trust company. If the retention of stock or obligations of the trust company or its affiliates in a fiduciary account is consistent with applicable law ~~is authorized by the instrument creating the relationship, by a court order or by Colorado law,~~ a trust company ~~as fiduciary~~ may exercise rights to purchase its own stock or securities convertible into its own stock when offered pro rate to stockholders. When the exercise of rights or receipt of the stock dividend results in fractional shareholding, additional fractional shares may be purchased to compliment the fractional shares acquired.
- B. A trust company may sell assets between any of ~~held by its~~ ~~as~~ fiduciary ~~in one~~ accounts if the transaction is fair to both accounts and ~~if such transaction~~ is not prohibited by ~~the terms of the governing instrument~~ applicable law.
- C. A trust company may deposit funds of the ~~estate or trust~~ fiduciary account as time or demand deposits in its own banking department ~~and may borrow money on behalf of the fiduciary account from itself and may pledge or encumber estate or trust assets as security for such loan,~~ provided such transactions are fair to the fiduciary account.