

AMENDMENT #1

By Rep. Garcia

OFFERED IN THE HOUSE

TO: CSHB 213(), Draft Version "R"

Page 1, lines 4 - 10:

Delete all material and insert:

**** Section 1.** AS 37.10.071(d) is amended to read:

(d) In exercising investment, custodial, or depository powers or duties under this section, the fiduciary or the fiduciary's designee is liable for a breach of a duty that is assigned or delegated under this section, or under AS 14.40.255, 14.40.280(c), 14.40.400(b), AS 37.10.070, AS 37.14.160 [AS 37.14.110(c), 37.14.160], or 37.14.170. However, the fiduciary or the designee is not liable for a breach of a duty that has been delegated to another person if the delegation is prudent under the applicable standard of prudence set out in statute or if the duty is assigned by law to another person, except to the extent that the fiduciary or designee

(1) knowingly participates in, or knowingly undertakes to conceal, an act or omission of another person knowing that the act or omission is a breach of that person's duties under this chapter;

(2) by failure to comply with this section in the administration of specific responsibilities, enables another person to commit a breach of duty; or

(3) has knowledge of a breach of duty by another person, unless the fiduciary or designee makes reasonable efforts under the circumstances to remedy the breach."

Page 2, lines 3 - 4:

Delete "in separate principal and income accounts for"

Insert "into [IN SEPARATE PRINCIPAL AND INCOME ACCOUNTS FOR]"

1

2 Page 2, lines 5 - 6:

3 Delete "that distinguish between the principal and income of the fund"

4 Insert "[THAT DISTINGUISH BETWEEN THE PRINCIPAL AND INCOME OF
5 THE FUND]"

6

7 Page 2, line 13, following "appropriate":

8 Insert "not more than"

9

10 Page 2, line 30:

11 Delete "AS 37.14.140 is"

12 Insert "AS 37.14.110(c) and 37.14.140 are"