

RÉSUMÉ DIGEST

ACT 115 (HB 41)

2018 Regular Session

Ivey

Existing law requires fiduciaries of the state and statewide retirement systems to act with the care, skill, prudence, and diligence under the circumstances prevailing as would a prudent institutional investor acting in a like capacity and familiar with the like aims (prudent-man rule). Existing law further requires fiduciaries to take certain factors into consideration when contemplating an investment action or asset allocation.

New law expressly makes investment consultants, money managers, and others providing similar services fiduciaries of Firefighters' Retirement System (FRS) subject to the prudent-man rule. Requires these fiduciaries to agree to the exclusive, original jurisdiction of the 19th Judicial District Court of La. for any proceeding involving their fiduciary duty and prohibits removal of such a suit to federal court without the FRS board's written consent. Provides that any such suit is subject to liberative prescription of 10 years. Provides that a civil suit filed by FRS suspends prescription of criminal prosecution for charges based on the misappropriation of money or thing of value, theft or fraud relative thereto, or a charge of false accounting if the charges arise from the same facts and circumstances as the civil suit. Provides that the time limitations provided by existing law for prosecution of these crimes shall not commence to run until the crime is discovered by FRS.

New law requires investment consultants, money managers, and others providing similar services to FRS to disclose, in any communication with a FRS trustee or employee, any proceeding relative to the management of funds or assets or investment advice or services in which such person was or is a deponent, witness, named party, or employee of a named party. Failure to do so results in nullification of any contract or agreement with the person.

Effective August 1, 2018.

(Adds R.S. 11:2261.1 and C.Cr.P. Art. 573.3 and 575.1)