
DIGEST

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HB 41 Engrossed

2018 Regular Session

Ivey

Abstract: Makes investment consultants and money managers fiduciaries of the Firefighters' Retirement System (FRS), requires contractual terms between the parties, provides for jurisdiction and venue for civil suits and for the suspension of time limitations on criminal prosecution for certain crimes against FRS.

Present 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). Present law further requires fiduciaries to take certain factors into consideration when contemplating an investment action or asset allocation.

Proposed law expressly makes investment consultants and money managers fiduciaries of 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 requires that such suit may not be removed to federal court without the FRS board's written consent. Provides that any such suit is subject to liberative prescription of 10 years. Requires that a civil suit filed by FRS suspend prescription for the institution 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 arising from the same facts and circumstances as the civil suit until the date a final, nonappealable judgment is rendered in the civil suit.

Proposed law requires investment consultants and money managers to disclose in any communication with an 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.

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