

TITLE 1: GOVERNMENT
DIVISION 8: PUBLIC EMPLOYMENT

§ 8376. Power to Make Agreements to Protect Securities on Reorganization or Otherwise.

Any thing in this part to the contrary notwithstanding, the Board of Trustees may enter into an agreement or agreements for the purpose of protecting the interest of the system in securities held by the system, or for the purposes of reorganization of a corporation which issued securities so held, and deposit of securities thereunder with a committee or depositories appointed under the agreement, but the agreement and deposit must first be approved in writing by a majority of the members of the board with a statement of their reasons for such approval. The board may accept corporate stock or bonds or other securities which may be distributed pursuant to any such agreement approved as aforesaid or to any plan or reorganization approved in writing by a majority of the members of the board with a statement of their reason for such approval. But if securities so received consist in whole or part of stock in any corporation or of bonds or obligations which are not secured by adequate collateral security or where less than two-thirds of the total value of the required collateral security thereof consist of collateral other than stock, then any stock and any such bond or obligation so received shall be disposed of within five years from the time of acquisition or before expiration of such further period or periods of time as may be fixed in writing for that purpose by the Board of Trustees.

Source: PL 6-17, ch. 5, § 8356.