

**DISTRICT OF COLUMBIA**  
**OFFICIAL CODE**

**TITLE 29.**  
**BUSINESS ORGANIZATIONS.**

**CHAPTER 12.**  
**STATUTORY TRUSTS.**

**2001 Edition**

# DISTRICT OF COLUMBIA OFFICIAL CODE

## CHAPTER 12. STATUTORY TRUSTS.

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# CHAPTER 12. STATUTORY TRUSTS.

*Refs & Annos*

Jurisdiction	Laws	Effective Date	Statutory Citation
District of Columbia	2011, 18-378	7-2-2011	D.C. Code §§ 29-1201.01 to 29-1209.01.

## SUBCHAPTER I. GENERAL PROVISIONS.

### § 29-1201.01. SHORT TITLE.

This chapter may be cited as the "Uniform Statutory Trust Entity Act of 2010".

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 101 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### § 29-1201.02. DEFINITIONS.

For the purposes of the chapter, the term:

- (1) "Beneficial owner" means the owner of a beneficial interest in a statutory trust or foreign statutory trust.
- (2) "Certificate of trust" means the record filed by the Mayor under § 29- 1202.01. The term "certificate of trust" shall include the record as amended or restated.
- (3) "Common-law trust" means a fiduciary relationship with respect to property arising from a manifestation of intent to create that relationship and subjecting the person that holds title to the property to duties to deal with the property for the benefit of charity or for one or more persons, at least one of which is not the sole trustee, whether the purpose of the trust is donative or commercial. The term "common-law trust" shall include the type of trust known at common law as a "business trust", "Massachusetts trust", or "Massachusetts business trust".
- (4) "Foreign statutory trust" means a trust that is formed under the laws of a jurisdiction other than the District which would be a statutory trust if formed under the laws of the District.
- (5) "Governing instrument" means the trust instrument and certificate of trust.
- (6) "Person" means an individual, corporation, statutory trust, estate, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity. The term "person" shall not include a common-law trust.
- (7) "Qualified foreign statutory trust" means a foreign statutory trust that is registered to do business in the District pursuant to a registration statement filed with the Mayor.
- (8) "Related party", with respect to a person that is a trustee, officer, employee, manager, or beneficial owner, means:
  - (A) The spouse of the party;
  - (B) A child, parent, sibling, grandchild, or grandparent of the party, or the spouse of one of them;

- (C) An individual having the same residence as the party;
  - (D) A trust or estate of which a related party described in subparagraph (A), (B), or (C) of this paragraph is a substantial beneficiary;
  - (E) A trust, estate, legally incapacitated individual, conservatee, or minor for which the party is a fiduciary; or
  - (F) A person that directly or indirectly controls, is controlled by, or is under common control with, the party.
- (9) "Series trust" means a statutory trust that has one or more series created under § 29-1204.01.
- (10) "Statutory trust", except in the phrase "foreign statutory trust", means an entity formed under this chapter.
- (11) "Trust" includes a common-law trust, statutory trust, and foreign statutory trust.
- (12) "Trust instrument" means a record other than the certificate of trust which provides for the governance of the affairs of a statutory trust and the conduct of its business. The term "trust instrument" includes a trust agreement, a declaration of trust, and bylaws.
- (13) "Trustee" means a person designated, appointed, or elected as a trustee of a statutory trust or foreign statutory trust in accordance with the governing instrument or applicable law.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 102 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1201.03. GOVERNING INSTRUMENT: SCOPE, LIMITATIONS, AND AMENDMENT.**

- (a) Except as otherwise provided in subsection (b) of this section or § 29- 1201.04, the governing instrument shall govern the:
- (1) Management, affairs, and conduct of the business of a statutory trust; and
  - (2) Rights, interests, duties, obligations, and powers of, and the relations among, the trustees, the beneficial owners, the statutory trust, and other persons.
- (b) To the extent the governing instrument does not otherwise provide for a matter described in subsection (a) of this section, this chapter shall govern the matter.
- (c) The governing instrument may include one or more instruments, agreements, declarations, bylaws, or other records and refer to or incorporate any record.
- (d) The governing instrument may be amended with the approval of all the beneficial owners.
- (e) Subject to § 29-1201.04, without limiting the terms that may be included in a governing instrument, the governing instrument may:
- (1) Provide the means by which beneficial ownership is determined and evidenced;
  - (2) Limit a beneficial owner's right to transfer its beneficial interest;
  - (3) Provide for one or more series under subchapter IV of this chapter;
  - (4) To the extent that voting rights are granted under the governing instrument, include terms relating to:
    - (A) Notice of the date, time, place, or purpose of any meeting at which any matter is to be voted on;
    - (B) Waiver of notice;
    - (C) Action by consent without a meeting;
    - (D) Establishment of record dates;
    - (E) Quorum requirements;
    - (F) Voting:
      - (i) In person;
      - (ii) By proxy;

- (iii) By any form of communication that creates a record, telephone, or video conference; or
- (iv) In any other manner; or
- (G) Any other matter with respect to the exercise of the right to vote;
- (5) Provide for the creation of one or more classes of trustees, beneficial owners, or beneficial interests having separate rights, powers, or duties;
- (6) Provide for any action to be taken without the vote or approval of any particular trustee or beneficial owner, or classes of trustees, beneficial owners, or beneficial interests, including:
  - (A) Amendment of the governing instrument;
  - (B) Merger, conversion, or reorganization;
  - (C) Appointment of trustees;
  - (D) Sale, lease, exchange, transfer, pledge, or other disposition of all or any part of the property of the statutory trust or the property of any series thereof; and
  - (E) Dissolution of the statutory trust;
- (7) Provide for the creation of a statutory trust, including the creation of a statutory trust to which all or any part of the property, liabilities, profits, or losses of a statutory trust may be transferred or exchanged, and for the conversion of beneficial interests in a statutory trust, or series thereof, into beneficial interests in the new statutory trust or series thereof;
- (8) Provide for the appointment, election, or engagement of agents or independent contractors of the statutory trust or delegates of the trustees, or agents, officers, employees, managers, committees, or other persons that may manage the business and affairs of the statutory trust, designate their titles, and specify their rights, powers, and duties;
- (9) Provide rights to any person, including a person that is not a party to the governing instrument;
- (10) Subject to paragraph (11) of this subsection, specify the manner in which the governing instrument may be amended, including, unless waived by all persons for whose benefit the condition or requirement was intended, a:
  - (A) Condition that a person that is not a party to the instrument shall approve the amendment for it to be effective; and
  - (B) Requirement that the governing instrument may be amended only as provided in the governing instrument or as otherwise permitted by law.
- (11) Provide that a person may comply with paragraph (10) of this subsection by a representative authorized by the person orally, in a record, or by conduct;
- (12) Provide that a person becomes a beneficial owner, acquires a beneficial interest, and is bound by the governing instrument if the person complies with the conditions for becoming a beneficial owner set forth in the governing instrument, such as payment to the statutory trust or to a previous beneficial owner;
- (13) Provide that the statutory trust or the trustees, acting for the statutory trust, hold beneficial ownership of any income earned on securities held by the statutory trust that are issued by any business entity formed, organized, or existing under the laws of any jurisdiction;
- (14) Provide for the establishment of record dates;
- (15) Grant to, or withhold from, a trustee or beneficial owner, or class of trustees or beneficial owners, the right to vote, separately or with any or all other trustees or beneficial owners, or class of trustees or beneficial owners, on any matter; and
- (16) Limit the duration of the statutory trust.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 103 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1201.04. MANDATORY RULES.**

The governing instrument shall not:

- (1) Vary the requirements of subchapter II of this chapter;
- (2) Vary the choice of governing law under § 29-1203.01;
- (3) Negate the exclusion of a predominantly donative purpose under § 29- 1203.03;
- (4) Vary the provisions pertaining to series trusts in §§ 29-1204.01, 29- 1204.02(b), 29-1204.03, and 29-1204.04(c);
- (5) Vary the standards of conduct for trustees under § 29-1205.05, but the governing instrument may prescribe the standards by which good faith, best interests of the statutory trust, and care that a person in a similar position would reasonably believe appropriate under similar circumstances are determined, if the standards are not manifestly unreasonable;
- (6) Vary the obligation under § 29-1205.06 to act in good faith if a trustee or other person is not to be liable for relying on the terms of the governing instrument, the records of the statutory trust, or the opinions, reports, or statements of an expert, but the governing instrument may prescribe the standards for assessing whether the reliance was in good faith, if the standards are not manifestly unreasonable;
- (7) Restrict the right of a trustee to information under § 29-1205.08, but the governing instrument may prescribe the standards for assessing whether information is reasonably related to the trustee's discharge of the trustee's duties as trustee, if the standards are not manifestly unreasonable;
- (8) Vary the prohibition under § 29-1205.09 of indemnification, advancement of expenses, or exoneration for conduct involving bad faith, willful misconduct, or reckless indifference;
- (9) Vary the obligation of a trustee under § 29-1205.10(c) not to follow a direction that is manifestly contrary to the terms of the governing instrument or would constitute a serious breach of fiduciary duty by the trustee;
- (10) Restrict the right of a judgment creditor of a beneficial owner to seek a charging order under § 29-1206.06;
- (11) Restrict the right of a beneficial owner to information under § 29- 1206.08, but the governing instrument may prescribe the standards for assessing whether information is reasonably related to the beneficial owner's interest, if the standards are not manifestly unreasonable;
- (12) Restrict the right of a beneficial owner to bring an action under § 29- 1206.09, but the governing instrument may subject the right to additional standards and restrictions, including a requirement that beneficial owners owning a specified amount or type of beneficial interest, including in a series trust an interest in the series, join in bringing the action, if the additional standards and restrictions are not manifestly unreasonable;
- (13) Vary the provisions pertaining to merger in §§ 29-1207.01, 29- 1207.04, and 29-1207.05;
- (14) Vary the provisions pertaining to dissolution in §§ 29-1208.01 and 29-1208.02 through 29-1208.05;
- (15) Vary the provisions relating to foreign statutory trusts in subchapter V of Chapter 1 of this title; or
- (16) Vary the miscellaneous provisions in subchapter VII of Chapter 1 of this title.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 104 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1201.05. APPLICABILITY OF TRUST LAW.**

The law of the District pertaining to common-law trusts shall supplement this chapter. However, a governing instrument may supersede or modify application to the statutory trust of any law of the District pertaining to common-law trusts.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

This section is based on § 105 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1201.06. RULE OF CONSTRUCTION.**

(a) This chapter shall be liberally construed to give maximum effect to the principle of freedom of contract and to the enforceability of governing instruments.

(b) The presumption that a civil statute in derogation of the common law is construed strictly shall not apply to this chapter.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

### *Uniform Law*

This section is based on § 106 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER II. FORMATION; CERTIFICATE OF TRUST AND OTHER FILINGS; PROCESS.**

### **§ 29-1202.01. CERTIFICATE OF TRUST.**

(a) To form a statutory trust, a person shall deliver a certificate of trust to the Mayor for filing.

(b) A certificate of trust shall state:

- (1) The name of the statutory trust, which must comply with §§ 29-103.01 and 29-103.02(i);
- (2) The street and mailing address of the principal office of the trust;
- (3) The name and street and mailing address of the initial registered agent of the trust; and
- (4) If the trust may have one or more series, a statement to that effect.

(c) A certificate of trust may contain any term in addition to those required by subsection (b) of this section.

(d) Subject to § 29-102.03, a statutory trust shall be formed when a certificate of trust that complies with subsection (b) of this section is filed by the Mayor.

(e) A filed certificate of trust, a filed statement of cancellation or change, or filed articles of conversion or merger shall prevail over inconsistent terms of a trust instrument.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

### *Uniform Law*

This section is based on § 201 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1202.02. AMENDMENT OR RESTATEMENT OF CERTIFICATE OF TRUST; STATEMENT OF CORRECTION.**

(a) To amend its certificate of trust, a statutory trust shall deliver to the Mayor for filing an amendment, articles of conversion, or articles of merger stating the:

- (1) Name of the trust;
- (2) Date of filing of its initial certificate; and
- (3) Changes to the certificate.



(b) A trustee that knows or has reason to know that any information in a filed certificate of trust was incorrect when the certificate was filed or has become incorrect shall promptly:

- (1) Cause the certificate to be amended; or
- (2) Deliver to the Mayor for filing a statement of correction.

(c) A restated certificate of trust shall be delivered to the Mayor for filing in the same manner as an amendment.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 202 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1202.03. SIGNING OF RECORDS.**

(a) A record delivered by the statutory trust to the Mayor for filing pursuant to this chapter shall be signed by at least one of the trustees.

(b) Any person may sign by an attorney in fact any record filed pursuant to this chapter.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 203 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER III. GOVERNING LAW; AUTHORIZATION; DURATION; POWERS.**

### **§ 29-1203.01. GOVERNING LAW.**

The law of the District shall govern the:

- (1) Internal affairs of a statutory trust;
- (2) Liability of a beneficial owner as beneficial owner and a trustee as trustee for a debt, obligation, or other liability of a statutory trust or a series thereof; and
- (3) Enforceability of a debt, obligation, or other liability of the statutory trust or a series thereof against the property of the trust or any series thereof.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 301 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1203.02. STATUTORY TRUST AS ENTITY.**

A statutory trust shall be an entity separate from its trustees and beneficial owners.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 302 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-1203.03. PERMISSIBLE PURPOSES.**

(a) Except as otherwise provided in subsection (b) of this section, a statutory trust may be formed for and may have any lawful purpose.

(b) A statutory trust shall not have a predominantly donative purpose.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 303 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-1203.04. STATUTORY TRUST SOLELY LIABLE FOR DEBT, OBLIGATION, OR OTHER LIABILITY OF STATUTORY TRUST.**

(a) A debt, obligation, or other liability of a statutory trust or series thereof shall be solely a debt, obligation, or other liability of the trust or series thereof. A beneficial owner, trustee, agent of the trust, or agent of the trustee shall not personally be liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the trust or series thereof solely by reason of being or acting as a trustee, beneficial owner, agent of the trust, or agent of the trustee.

(b) Except as otherwise provided in subchapter IV of this chapter, property of a statutory trust held in the name of the trust or by the trustee in the trustee's capacity as trustee shall be is subject to attachment and execution to satisfy a debt, obligation, or other liability of the trust.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 304 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

**§ 29-1203.05. NO CREDITOR RIGHTS IN TRUST PROPERTY.**

A creditor of a beneficial owner or trustee shall not obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of a statutory trust or any series thereof.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 305 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1203.06. DURATION.**

- (a) A statutory trust shall have perpetual duration.
- (b) A statutory trust, or any series thereof, shall not be terminated or revoked except in accordance with this chapter or the terms of the governing instrument.
- (c) The death, incapacity, dissolution, termination, or bankruptcy of a beneficial owner or trustee shall not result in the termination or dissolution of a statutory trust or any series thereof.
- (d) A statutory trust or any series thereof shall not terminate because the same person is the sole trustee and sole beneficial owner.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 306 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1203.07. POWER TO HOLD PROPERTY; TITLE TO TRUST PROPERTY.**

A statutory trust may hold or take title to property in its own name or in the name of a trustee in the trustee's capacity as trustee, whether in an active, passive, or custodial capacity.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 307 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1203.08. POWER TO SUE AND BE SUED.**

A statutory trust may sue and be sued in its own name.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 308 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

# **SUBCHAPTER IV. SERIES TRUSTS.**

## **§ 29-1204.01. STATUTORY TRUST HAVING SERIES.**

(a) The governing instrument may provide for the creation by the statutory trust of one or more series with respect to specified property of the statutory trust if:

- (1) Records are maintained for the series which reasonably identify the property of the series, including by specific listing, category, type, quantity, or computational or allocational formula or procedure, such as a percentage or share of any property, or by any other method by which the identity of the property of the series is objectively determinable; and

(2) Notice that the trust may have one or more series is set forth in the certificate of trust as required by § 29-1202.01(b)(4).

(b) A series of a statutory trust shall not be an entity separate from the statutory trust.

(c) A series of a statutory trust may have a separate purpose from the trust or any other series thereof if the purpose of the series is lawful and not a predominantly donative purpose.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 401 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1204.02. LIABILITY OF SERIES TRUST.**

(a) In a series trust, a debt, obligation, or other liability incurred or otherwise existing respect to the:

(1) Property of a particular series shall be enforceable against the property of the series only, and not against the property of the trust generally or any other series thereof; and

(2) Trust generally or the property of any other series thereof shall not be enforceable against the property of the series.

(b) The association, disassociation, or reassociation of property of a statutory trust or a series thereof to or with the trust or a series thereof, including by conversion or merger under subchapter VII of this chapter shall be deemed to be a transfer between separate persons under Chapter 31 of Title 28.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 402 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1204.03. DUTIES OF TRUSTEE IN SERIES TRUST.**

If there is at least one trustee of a series trust that, in discharging its duties, is obligated to consider the interests of the trust and all series thereof, the governing instrument may provide that one or more other trustees, in discharging their duties, may consider only the interests of the trust or one or more series thereof.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 403 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1204.04. DISSOLUTION OF SERIES.**

(a) A series of a series trust may be dissolved or its property distributed without causing the dissolution of the trust or any other series thereof.

(b) A series of a series trust is dissolved, and its activities shall be wound up, on the occurrence of an event or circumstance that the governing instrument states causes dissolution of the series or upon the dissolution of the trust.

(c) On dissolution of a series of a series trust, the persons that under the governing instrument are responsible for winding up the affairs of the series may cause the trust to take all actions permitted under § 29-1208.03, and shall take actions with respect to the claims and obligations of the series as provided in §§ 29-1208.03 through § 29-1208.05.

(d) Any person, including a trustee, that under the governing instrument is responsible for winding up the affairs of a series of a series trust shall not be liable to the creditors of the dissolved series by reason of the person's actions in winding up the series.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 404 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER V. TRUSTEES AND TRUST MANAGEMENT.**

### **§ 29-1205.01. MANAGEMENT OF STATUTORY TRUST.**

The business and affairs of a statutory trust shall be managed by or under the authority of its trustees.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 501 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1205.02. TRUSTEE POWERS.**

A trustee may exercise:

- (1) Powers conferred by the governing instrument;
- (2) Except as limited by the governing instrument, any other powers necessary or convenient to carry out the business and affairs of the statutory trust; and
- (3) Other powers conferred by this chapter.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 502 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1205.03. ACTION BY TRUSTEES.**

On any matter that is to be acted on by trustees, the following rules apply:

- (1) The trustees shall act by majority of the trustees.
- (2) The trustees may act without a meeting, without previous notice, and without a vote, if the minimum number of trustees necessary to authorize or take the action at a meeting at which all trustees entitled

to vote thereon were present and voted consent in a signed record. However, prompt notice of the action shall be given to those trustees that did not consent.

(3) A trustee may vote in person or by proxy, but, if by proxy, the proxy shall be in a signed record.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 503 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1205.04. PROTECTION OF PERSON DEALING WITH TRUSTEE.**

(a) A person that in good faith assists a trustee, or in good faith and for value deals with a trustee, without knowledge that the trustee is exceeding or improperly exercising the trustee's power, shall be protected from liability as if the trustee properly exercised the power.

(b) A person that in good faith deals with a trustee need not inquire into the extent of a trustee's power or the propriety of the exercise of the power.

(c) A person that in good faith delivers property to a trustee need not ensure its proper use.

(d) A person that in good faith and without knowledge that the trusteeship has terminated assists a former trustee as if the former trustee were still a trustee, or in good faith and for value deals with a former trustee as if the former trustee were still a trustee shall be protected from liability as if the former trustee were still a trustee.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 504 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1205.05. STANDARDS OF CONDUCT FOR TRUSTEES.**

(a) Subject to § 29-1204.03, in exercising the powers of trusteeship, a trustee shall act in good faith and in a manner the trustee reasonably believes to be in the best interests of the statutory trust.

(b) A trustee shall discharge its duties with the care that a person in a similar position would reasonably believe appropriate under similar circumstances.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 505 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1205.06. GOOD-FAITH RELIANCE.**

A trustee, officer, employee, manager, or committee of a statutory trust, or other person designated pursuant to § 29-1201.03(e)(8), shall not be liable to the trust or to a beneficial owner for breach of any duty, including a fiduciary duty, to the extent the breach results from good-faith reliance on:

(1) A term of the governing instrument;

(2) A record of the statutory trust; or

(3) An opinion, report, or statement of another person that the trustee reasonably believes is within the other person's professional or expert competence and is made or delivered to the trustee, officer, employee, manager, or committee of a statutory trust or other person designated pursuant to § 29-1201.03(e)(8).

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 506 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1205.07. INTERESTED TRANSACTIONS.**

(a) For the purposes of this section, the term "covered party" means a trustee, officer, employee, or manager of a statutory trust, or a related party of a trustee, officer, employee, manager, or other person designated pursuant to § 29-1201.03(e)(8).

(b) Subject to subsection (c) of this section, a covered party may lend money to, borrow money from, act as a surety, guarantor, or endorser for, guarantee or assume an obligation of, provide collateral for, or do other business with the statutory trust and, subject to law other than this title, has the same rights and obligations with respect to those matters as a person that is not a covered party.

(c) A transaction described in subsection (b) of this section shall be voidable by the statutory trust unless the covered party shows that the transaction is fair to the trust.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 507 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1205.08. TRUSTEE'S RIGHT TO INFORMATION.**

A trustee shall have the right to receive from a statutory trust or another trustee information relating to the affairs of the trust which is reasonably related to the trustee's discharge of the trustee's duties as trustee. The trustee may enforce this right by summary proceeding in the Superior Court.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 508 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1205.09. INDEMNIFICATION, ADVANCEMENT, AND EXONERATION.**

(a) A statutory trust may indemnify and hold harmless a trustee, beneficial owner, or other person with respect to any claim or demand against the person by reason of the person's relationship with the trust if the claim or demand does not arise from the person's bad faith, willful misconduct, or reckless indifference.

(b) Expenses, including reasonable attorneys' fees and costs, incurred by a trustee, beneficial owner, or other person in connection with a claim or demand against the person by reason of the person's

relationship to a statutory trust may be paid by the trust before the final disposition of the claim or demand, upon an undertaking by or on behalf of the person to repay the trust if the person is ultimately determined not to be entitled to be indemnified under subsection (a) of this section.

(c) A term in the governing instrument relieving or exonerating a trustee from liability is unenforceable to the extent it relieves or exonerates the trustee from liability for conduct involving bad faith, willful misconduct, or reckless indifference.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 509 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1205.10. DIRECTION OF TRUSTEES.**

(a) The governing instrument may authorize any person, including a beneficial owner, to direct a trustee or other person in the management of a statutory trust.

(b) The governing instrument may provide that the power to direct a trustee or other person or the exercise of the power by any person, including a beneficial owner, shall not cause the person to be a trustee or impose on the person duties, including fiduciary duties, or liabilities relating to these duties, to a statutory trust or beneficial owner.

(c) If the governing instrument confers on a person a power to direct actions by a trustee or other person, the trustee or other person shall act in accordance with an exercise of the power, unless the direction is manifestly contrary to the terms of the governing instrument or the trustee knows or has reason to know that following the direction would constitute a serious breach of fiduciary duty by the trustee.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 510 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1205.11. DELEGATION BY TRUSTEE.**

(a) A trustee may delegate duties and powers. The trustee shall exercise the care a person in a similar position would reasonably believe appropriate under similar circumstances in:

- (1) Selecting an agent;
- (2) Establishing the scope and terms of the delegation; and
- (3) Periodically reviewing the agent's actions to monitor the agent's performance and compliance with the terms of the delegation.

(b) Subject to subsection (a) of this section, a trustee may delegate duties and powers to a co-trustee.

(c) In performing a delegated function, an agent of a trustee shall owe a duty to the statutory trust to exercise reasonable care to comply with the terms of the delegation.

(d) A trustee that complies with subsection (a) of this section shall not be liable to a beneficial owner or to the statutory trust for an act or omission of the agent of the trustee to which a function was delegated.

(e) An agent of a trustee submits to the jurisdiction of the courts of the District by accepting a delegation of powers or duties from a trustee with respect to a claim related to the agency.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*



For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 511 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1205.12. INDEPENDENT TRUSTEE IN REGISTERED INVESTMENT COMPANY.**

(a) For the purposes of this section, the term "affiliated person" and "interested person" have the meanings as provided in section 2(3) and (19) of the Investment Company Act of 1940, (54 Stat. 790; 15 U.S.C. § 80a-2(3) and (19)), and any regulations issued thereunder.

(b) If a statutory trust is registered as an investment company under the Investment Company Act of 1940, approved August 22, 1940 (54 Stat. 789; 15 U.S.C. § 80a-1 *et seq.*), or any successor statute and any regulations issued thereunder, a trustee shall be an independent trustee for all purposes under this chapter if the trustee shall is not an interested person of the trust. The receipt of compensation both for service as an independent trustee of the trust and for service as an independent trustee of one or more other investment companies managed by a single investment adviser or an affiliated person of an investment adviser, shall not affect the status of the trustee as an independent trustee under this section.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 512 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER VI. BENEFICIARIES AND BENEFICIAL RIGHTS.**

### **§ 29-1206.01. BENEFICIAL INTEREST.**

(a) A beneficial interest in a statutory trust shall be freely transferable.

(b) A beneficial interest in a statutory trust shall be personal property regardless of the nature of the property of the trust.

(c) A beneficial interest in a statutory trust shall not be an interest in specific property of the statutory trust.

(d) A beneficial owner shall not have a preemptive right to subscribe to any additional issue of beneficial interests or any other interest of a statutory trust.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 601 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1206.02. VOTING OR CONSENT BY BENEFICIAL OWNERS.**

On any matter that is to be acted on by beneficial owners, the following rules apply:

(1) The beneficial owners shall act by majority of the beneficial interests.

(2) The beneficial owners may take the action without a meeting, without notice, and without a vote, if beneficial owners having at least the minimum number of votes necessary to authorize or take the action at a meeting at which all beneficial owners entitled to vote thereon were present and voted

consent in a signed record. However, prompt notice of the action shall be given to those beneficial owners that did not consent.

(3) A beneficial owner may vote in person or by proxy, but if by proxy, the proxy shall be contained in a signed record.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 602 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1206.03. CONTRIBUTION BY BENEFICIAL OWNER.**

(a) A contribution of a beneficial owner to a statutory trust may be in cash, property, or services rendered or a promissory note or other obligation to contribute cash or property or to perform services. A person may become a beneficial owner of a statutory trust and may receive a beneficial interest in a statutory trust without making a contribution or being obligated to make a contribution to the trust.

(b) A beneficial owner shall be liable to the statutory trust for failure to perform an obligation to contribute cash or property or to perform services, even if the beneficial owner is unable to perform because of death, disability, or any other reason. If a beneficial owner does not make the required contribution of cash, property, or services, the beneficial owner shall be obligated, at the option of the trust, to contribute cash equal to that part of the value of the contribution that has not been made. This obligation shall be in addition to any other right, including the right to specific performance, that the trust has against the beneficial owner under the governing instrument or applicable law.

(c) The governing instrument may provide that a beneficial owner that fails to make a required contribution, or comply with the terms and conditions of the governing instrument, shall be subject to specified penalties for or consequences of the failure, including:

- (1) Reduction or elimination of the defaulting beneficial owner's proportionate interest in the statutory trust or series thereof;
- (2) Subordination of the defaulting beneficial owner's beneficial interest to that of nondefaulting beneficial owners;
- (3) Forced sale or forfeiture of the defaulting beneficial owner's beneficial interest;
- (4) Imposition of an obligation to repay a loan to the statutory trust by another beneficial owner of the amount necessary to meet the defaulting beneficial owner's commitment;
- (5) Redemption or sale of the defaulting beneficial owner's beneficial interest at a value fixed by appraisal or by formula; and
- (6) Specific performance of an obligation under the governing instrument.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 603 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1206.04. DISTRIBUTION TO BENEFICIAL OWNER.**

(a) When a beneficial owner becomes entitled to receive a distribution, with respect to the distribution, the beneficial owner shall have the status of, and shall be entitled to all remedies available to, a creditor of the statutory trust.

(b) A beneficial owner shall not have a right to demand or to receive a distribution from the trust in any form other than money.

(c) The trust may distribute an asset in kind if each part of the asset is fungible with each other part and

each beneficial owner receives a percentage of the asset equal in value to the beneficial owner's share of the distribution.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 604 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1206.05. REDEMPTION OF BENEFICIAL INTEREST.**

A statutory trust may acquire, by purchase, redemption, or otherwise, any beneficial interest in the trust or series thereof. A beneficial interest acquired under this section shall be canceled.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 605 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1206.06. CHARGING ORDER.**

(a) If a beneficial interest is not freely transferable by a beneficial owner so that the transferee has all rights of the transferor, a judgment creditor of a beneficial owner may satisfy the judgment against the beneficial owner's beneficial interest only as provided in this section.

(b) On application by a judgment creditor of a beneficial owner, the Superior Court may issue a charging order against the beneficial owner's right to distributions from the trust for the unsatisfied part of the judgment and:

(1) Appoint a receiver of the distributions subject to the charging order, with the power to enforce the beneficial owner's right to a distribution; and

(2) Make other orders necessary to give effect to the charging order.

(c) A charging order issued under subsection (b) of this section shall be a lien on the beneficial owner's right to distributions and requires the statutory trust to pay over to the judgment creditor any distribution that would otherwise be paid to the beneficial owner until the judgment has been satisfied.

(d) A statutory trust or beneficial owner that is not subject to a charging order issued under subsection (b) of this section shall pay to the judgment creditor the full amount due under the judgment lien and thereby succeed to the rights of the judgment creditor, including the charging order.

(e) This chapter shall not deprive a beneficial owner or a transferee of the beneficial interest of any exemption applicable to the beneficial interest.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 606 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1206.07. TRANSACTION WITH BENEFICIAL OWNER.**

Subject to § 29-1205.07, a beneficial owner or related party of a beneficial owner may lend money to,

borrow money from, act as a surety, guarantor, or endorser for, guarantee or assume an obligation of, provide collateral for, or do other business with the statutory trust and, subject to law other than this chapter, shall have the same rights and obligations with respect to a matter as a person that is not a beneficial owner.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 607 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1206.08. BENEFICIAL OWNER'S RIGHT TO INFORMATION.**

A beneficial owner shall have the right to receive from the statutory trust or a trustee information relating to the affairs of a statutory trust which is reasonably related to the beneficial owner's interest. The beneficial owner may enforce this right by summary proceeding in the Superior Court.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 608 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1206.09. ACTION BY BENEFICIAL OWNER.**

(a) A beneficial owner may maintain a direct action against a statutory trust to redress an injury sustained by, or to enforce a duty owed to, the beneficial owner if the beneficial owner can prevail without showing an injury or breach of duty to the trust.

(b) A beneficial owner may maintain a derivative action to redress an injury sustained by, or enforce a duty owed to, a statutory trust if:

(1) The beneficial owner first makes a demand on the trustees, requesting that the trustees cause the trust to bring an action to redress the injury or enforce the right, and the trustees do not bring the action within a reasonable time; or

(2) A demand would be futile.

(c) A derivative action on behalf of a statutory trust shall be maintained only by a person that is a beneficial owner at the time the action is commenced and:

(1) Was a beneficial owner when the conduct giving rise to the action occurred; or

(2) Acquired the status as a beneficial owner by operation of law or pursuant to the terms of the governing instrument from a person that was a beneficial owner at the time of the conduct.

(d) In a derivative action on behalf of the statutory trust, the complaint shall state with particularity the:

(1) Date and content of the plaintiff's demand and the trustees' response to the demand; or

(2) Reason the demand should be excused as futile.

(e) Except as otherwise provided in subsection (f) of this section:

(1) Any proceeds or other benefits of a derivative action on behalf of a statutory trust, whether by judgment or settlement, shall be the property of the trust and not of the plaintiff; and

(2) If the plaintiff receives any proceeds or other benefits, the plaintiff shall immediately remit them to the trust.

(f) If a derivative action on behalf of a statutory trust is successful in whole or in part, the court may award the plaintiff reasonable attorneys' fees, costs, and other expenses from the recovery by the trust.

(g) A derivative action on behalf of a statutory trust shall not be voluntarily dismissed or settled without the court's approval.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 609 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER VII. MERGER.**

### **§ 29-1207.01. DEFINITIONS.**

For the purposes of this subchapter, the term:

- (1) "Constituent statutory trust" means a statutory trust that is party to a merger.
- (2) "Governing law" means the law that governs the organization's internal affairs.
- (3)(A) "Organization" means:
  - (i) A common-law trust that does not have a predominantly donative purpose;
  - (ii) General partnership, including a limited liability partnership;
  - (iii) Limited partnership, including a limited liability limited partnership;
  - (iv) Limited liability company;
  - (v) Corporation; or
  - (vi) Foreign statutory trust.
- (B) The term "organization" shall include a domestic or foreign organization whether or not organized for profit.
- (4) "Organizational documents" means the records that create an organization and determine its internal governance and the relations among the persons that own it, have an interest in it, or are members of it.
- (5) "Surviving organization" means an organization into which one or more other organizations are merged, whether the surviving organization preexisted the merger or was created by the merger.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 701 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1207.02. MERGER.**

- (a) A statutory trust may merge with one or more other constituent organizations pursuant to this section, §§ 29-1207.03 through 29-1207.05, and a plan of merger if:
  - (1) The merger is not prohibited by the governing law of any constituent organization; and
  - (2) Each of the other organizations complies with its governing law in effecting the merger.
- (b) A plan of merger shall be in a record and shall include:
  - (1) The name and form of each constituent organization;
  - (2) The name and form of the surviving organization and, if the surviving organization is to be created by the merger, a statement to that effect;
  - (3) The terms and conditions of the merger, including the manner and basis for converting or exchanging the interests in each constituent organization into any combination of money, interests in the surviving organization, and other consideration;

- (4) If the surviving organization is to be created by the merger, the surviving organization's organizational documents; and
- (5) If the surviving organization is not to be created by the merger, any amendments to be made by the merger to the surviving organization's organizational documents.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 702 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1207.03. ACTION ON PLAN OF MERGER BY CONSTITUENT STATUTORY TRUST.**

- (a) A plan of merger shall be consented to by all trustees and all beneficial owners of a constituent statutory trust.
- (b) After a merger is approved, and at any time before a filing is made under § 29-1207.04, a constituent statutory trust may amend the plan or abandon the planned merger:
  - (1) As provided in the plan; and
  - (2) Except as prohibited by the plan, with the same consent as was required to approve the plan.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 703 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1207.04. FILINGS REQUIRED FOR MERGER; EFFECTIVE DATE.**

- (a) After each constituent organization has approved a merger, articles of merger shall be signed on behalf of each:
  - (1) Constituent statutory trust, by one or more trustees or other authorized representative; and
  - (2) Other constituent organization, by an authorized representative.
- (b) Articles of merger under this section shall include:
  - (1) The name and form of each constituent organization and the jurisdiction of its governing law;
  - (2) The name and form of the surviving organization, the jurisdiction of its governing law, and, if the surviving organization is created by the merger, a statement to that effect;
  - (3) If the surviving organization is to be created by the merger:
    - (A) If it will be a statutory trust, the trust's certificate of trust; or
    - (B) If it will be an organization other than a statutory trust, the organizational document that creates the organization;
  - (4) If the surviving organization preexisted the merger, any amendments provided for in the plan of merger for the organizational document that created the organization;
  - (5) A statement as to each constituent organization that the merger was approved as required by the organization's governing law;
  - (6) If the surviving organization is a foreign organization not authorized to do business in the District, the street and mailing address of an office that the Mayor may use for the purposes of § 29-1207.05(b); and
  - (7) Any additional information required by the governing law of any constituent organization.

(c) The articles of merger shall be delivered to the office of the Mayor for filing.

(d) A merger shall be effective under this chapter:

(1) If the surviving organization is a statutory trust, upon the later of:

(A) Filing of the articles of merger by the Mayor; or

(B) Subject to § 29-102.03, as specified in the articles of merger; or

(2) If the surviving organization is not a statutory trust, as provided by the governing law of the surviving organization

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 704 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1207.05. EFFECT OF MERGER.**

(a) When a merger becomes effective:

(1) The surviving organization shall continue or comes into existence;

(2) Each constituent organization that merges with the surviving organization shall cease to exist as a separate organization;

(3) All property owned by each constituent organization that ceases to exist shall vest in the surviving organization;

(4) All debts, obligations, and other liabilities of each constituent organization that ceases to exist, including those existing with respect to the property of a series thereof, shall continue as debts, obligations, or other liabilities of the surviving organization limited to the property thereof as provided for by the plan of merger and the governing law of the surviving organization;

(5) An action or proceeding pending by or against any constituent organization that ceases to exist shall continue as if the merger had not occurred;

(6) Except as prohibited by law other than this chapter, all rights, privileges, immunities, powers, and purposes of each constituent organization that ceases to exist shall vest in the surviving organization;

(7) Except as otherwise provided in the plan of merger, the terms and conditions of the plan of merger shall take effect;

(8) If the surviving organization is created by the merger and:

(A) If it is a statutory trust, the certificate of trust becomes effective; or

(B) If it is an organization other than a statutory trust, the organizational document that creates the organization shall become effective; and

(9) If the surviving organization preexisted the merger, any amendment provided for in the articles of merger for the organizational document that created the organization shall become effective.

(b) A surviving organization that is a foreign organization consents to the jurisdiction of the courts of the District to enforce any debt, obligation, or other liability owed by a constituent organization if, before the merger, the constituent organization was subject to suit in the District on the obligation. A surviving organization that is a foreign organization not authorized to do business in the District may be served in accordance with § 29-104.12.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 705 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1207.06. CHAPTER NOT EXCLUSIVE.**

This chapter shall not preclude an organization from being merged under law other than this chapter.  
(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 706 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER VIII. DISSOLUTION AND WINDING UP.**

### **§ 29-1208.01. EVENTS CAUSING DISSOLUTION.**

A statutory trust shall be dissolved only by:

- (1) An administrative dissolution under §§ 29-106.01 and 29-106.02; or
- (2) The filing of articles of dissolution under § 29-1208.02:
  - (A) On the occurrence of an event or circumstance that the governing instrument states causes dissolution; or
  - (B) With the approval of all the beneficial owners.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 801 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1208.02. ARTICLES OF DISSOLUTION.**

(a) If dissolution of a statutory trust is authorized under § 29-1208.01, the trust shall deliver to the Mayor for filing articles of dissolution setting forth the:

- (1) Name of the trust; and
- (2) Date of the dissolution.

(b) Except as otherwise provided in § 29-102.03, a statutory trust is dissolved when articles of dissolution that comply with subsection (a) of this section, are filed by the Mayor.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

### *HISTORICAL AND STATUTORY NOTES*

#### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

#### *Uniform Law*

This section is based on § 802 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1208.03. WINDING UP.**

(a) A dissolved statutory trust shall wind up its activities and the trust and each series thereof shall continue after dissolution only for the purpose of its winding up.



(b) In winding up its activities, a statutory trust shall:

- (1) Discharge the trust's debts, obligations, and other liabilities, settle and close the trust's activities, and marshal and distribute the property of the trust; and
- (2) Distribute any surplus property after complying with paragraph (1) of this section to the beneficial owners in proportion to their beneficial interests.

(c) In winding up its activities, a statutory trust may:

- (1) Preserve the trust's activities and property as a going concern for a reasonable time;
- (2) Institute, maintain, and defend actions and proceedings, whether civil, criminal, or administrative;
- (3) Transfer the trust's property;
- (4) Settle disputes; and
- (5) Perform other acts necessary or appropriate to its winding up.

(d) Trustees of a dissolved statutory trust that has disposed of claims under § 29-1208.04 or § 29-1208.05 shall not be liable for breach of duty with respect to claims against the trust that are barred or satisfied under § 29-1208.04 or § 29-1208.05.

(e) The dissolution of a statutory trust shall not terminate the authority of its registered agent.

(f) On application of any person that shows good cause, the Superior Court may appoint a person to be a receiver for a dissolved statutory trust with the power to undertake any action that might have been done by the trust during its winding up if the action is necessary for final settlement of the trust.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

##### *Uniform Law*

This section is based on § 803 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

### **§ 29-1208.04. NOTICE TO CLAIMANT.**

(a) Except as otherwise provided in subsection (c) of this section, a dissolved statutory trust may dispose of a known claim against it by sending notice to the claimant in a record of the dissolution of the trust. The notice shall:

- (1) Specify the information required to be included in the claim;
- (2) Provide a mailing address to which the claim is to be sent;
- (3) State the deadline for receipt of the claim, which shall not be less than 120 days after the date the notice is sent to the claimant; and
- (4) State that the claim will be barred if not received by the deadline.

(b) A claim against a dissolved statutory trust is barred if the requirements of subsection (a) of this section are met and:

- (1) The claim is not received by the specified deadline; or
- (2) If the claim is timely received but rejected by the trust:
  - (A) The trust notifies the claimant in a record that the claim is rejected and will be barred unless the claimant commences an action against the trust to enforce the claim not later than the 90th day after the claimant receives the notice; and
  - (B) The claimant does not commence the required action not later than the 90th day.

(c) This section shall not apply to a claim based on:

- (1) An event occurring after the effective date of dissolution; or
- (2) A liability that on that date is unmaturing or contingent.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

#### *HISTORICAL AND STATUTORY NOTES*

##### *Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 804 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **§ 29-1208.05. PUBLICATION OF NOTICE.**

- (a) A dissolved statutory trust may publish notice of its dissolution and request persons having claims against the trust to present them in accordance with the notice.
- (b) A notice under subsection (a) of this section shall:
- (1) Be published at least once in a newspaper of general circulation in the District or, if it has no principal office in the District, in the city in which the trust's principal office is or was last located;
  - (2) Describe the information required for a claim;
  - (3) Provide a mailing address to which the claim may be sent; and
  - (4) State that a claim against the trust shall be barred unless an action to enforce the claim is commenced not later than 3 years after publication of the notice.
- (c) If a dissolved statutory trust publishes a notice in accordance with subsection (b) of this section, unless the claimant commences an action to enforce a claim against the trust not later than 3 years after the publication date of the notice, the claim of each of the following claimants shall be barred:
- (1) A claimant that did not receive notice in a record under § 29-1208.04;
  - (2) A claimant whose claim was timely sent to the trust but was rejected or not acted on; and
  - (3) A claimant whose claim is contingent at, or based on an event occurring after, the effective date of dissolution.
- (d) A claim not barred under this section may be enforced against undistributed property.
- (e) If property of the trust has been distributed after dissolution, a claim not barred under this section may be enforced against a beneficial owner to the extent of that beneficial owner's proportionate share of the property distributed to the beneficial owner after dissolution. However, a beneficial owner's total liability for all claims under this subsection shall not exceed the total amount of property distributed to the beneficial owner after dissolution.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 805 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.

## **SUBCHAPTER IX. TRANSITION PROVISIONS.**

### **§ 29-1209.01. APPLICATION TO EXISTING RELATIONSHIPS.**

- (a) This chapter shall not limit, prohibit, or invalidate the existence, acts, or obligations of any common-law trust created or doing business in the District before or after the applicability date of this chapter. The laws of the District other than this chapter pertaining to trusts shall apply to common-law trusts.
- (b) A common-law trust arising under the law of the District before or after the applicability date of this chapter that does not have a prevalingly donative purpose may elect to be governed by this chapter by filing of a certificate of trust under § 29-1202.01.
- (c) A trust created pursuant to a statute of the District that was required by that statute to file a certificate of trust with the Mayor before the applicability date of this chapter may elect to be governed by this chapter by filing an amendment to its certificate of trust under § 29-1202.02.
- (d) On and after one year after the applicability date of this chapter, this chapter shall govern the organization and internal affairs of all trusts created pursuant to a statute of the District that was required by that statute to file a certificate of trust with the Mayor before the applicability date of this chapter."

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

*HISTORICAL AND STATUTORY NOTES*

*Legislative History of Laws*

For history of Law 18-378, see notes under § 29-101.01.

*Uniform Law*

This section is based on § 1005 of the Uniform Statutory Trust Entity Act . See Vol. 6B , Uniform Laws Annotated, Master Edition or ULA Database on Westlaw.