

395.195 Transactions authorized for personal representative -- Exceptions.

Except as restricted or otherwise provided by the will, or by KRS 395.200, a personal representative, acting reasonably for the benefit of the interested persons, may properly:

- (1) Retain assets owned by the decedent pending distribution or liquidation including those in which the representative is personally interested or which are otherwise improper for trust investment;
- (2) Receive assets from fiduciaries, or other sources;
- (3) Perform, compromise or refuse performance for proper cause of the decedent's contracts that continue as obligations of the estate, as he may determine under the circumstances;
- (4) Satisfy written charitable pledges of the decedent irrespective of whether the pledges constituted binding obligations of the decedent or were properly presented as claims, if in the judgment of the personal representative the decedent would have wanted the pledges completed under the circumstances;
- (5) If funds are not needed to meet debts and expenses currently payable and are not immediately distributable, deposit or invest liquid assets of the estate, including moneys received from the sale of other assets, in federally insured interest-bearing accounts, readily marketable secured loan arrangements or other prudent investments which would be reasonable for use by trustees generally;
- (6) Acquire or dispose of an asset, other than land, for cash or on credit, at public or private sale; and manage, exchange, or change the character of an estate asset;
- (7) Enter for any purpose into a lease for personal property as lessor or lessee, with or without option to purchase or renew, for a term within or extending beyond the period of administration;
- (8) Abandon personal property when, in the opinion of the personal representative, it is valueless, or is so encumbered, or is in such condition that it is of no benefit to the estate;
- (9) Vote stocks or other securities in person or by general or limited proxy;
- (10) Pay calls, assessments, and other sums chargeable or accruing against or on account of securities, unless barred by the provisions relating to claims;
- (11) Hold a security in the name of a nominee or in other form without disclosure of the interest of the estate but the personal representative is liable for any act of the nominee in connection with the security so held;
- (12) Insure the assets of the estate against damage, loss and liability and himself against liability as to third persons;
- (13) Borrow money with or without security to be repaid from the probatable assets or otherwise; and advance money for the protection of the estate;
- (14) Effect a fair and reasonable compromise with any debtor or obligor, or extend, renew or in any manner modify the terms of any obligation owing to the estate. If the personal representative holds a mortgage, pledge or other lien upon property of another person, he may, in lieu of foreclosure, accept a conveyance or transfer of encumbered assets from the owner thereof in satisfaction of the

indebtedness secured by lien;

- (15) Pay taxes, assessments, compensation of the personal representative, and other expenses incident to the administration of the estate;
- (16) Sell or exercise stock subscription or conversion rights; consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution, or liquidation of a corporation or other business enterprise;
- (17) Allocate items of income or expense to either estate income or principal, as permitted or provided by law;
- (18) Employ persons, including attorneys, auditors, investment advisors, or agents, to advise or assist the personal representative in the performance of his administrative duties; act without independent investigation upon their recommendations; and instead of acting personally, employ one (1) or more agents to perform any act of administration, whether or not discretionary;
- (19) Prosecute or defend claims, or proceedings in any jurisdiction for the protection of the estate and of the personal representative in the performance of his duties;
- (20) Sell or mortgage any personal property or any interest therein for cash, credit, or for part cash and part credit, and with or without security for unpaid balances;
- (21) Provide for exoneration of the personal representative from personal liability in any contract entered into on behalf of the estate;
- (22) Satisfy, settle or compromise claims and distribute the estate as provided by law; and
- (23) Take such actions as are necessary to cause gains from the sale or exchange of estate assets as determined for federal income tax purposes, to be taxed for federal income tax purposes as a part of a distribution of income, including the power to allocate such gains to income for the purpose of making discretionary distributions and to allocate such gains to income which has been increased by an adjustment from principal to income pursuant to KRS 386.454(1), to a unitrust distribution, or to a distribution of principal to a beneficiary.

Effective: July 15, 2014

History: Amended 2014 Ky. Acts ch. 25, sec. 113, effective July 15, 2014. -- Amended 2012 Ky. Acts ch. 59, sec. 6, effective July 12, 2012. -- Amended 1980 Ky. Acts ch. 259, sec. 21, effective July 15, 1980. -- Created 1976 Ky. Acts ch. 218, sec. 24.