12J.4 Prohibited investments — divestment.

1. The public fund shall not acquire publicly traded securities of a company on the public fund's most recent scrutinized companies list so long as such company remains on the public fund's scrutinized companies list as provided in this chapter.

2. *a.* The public fund shall sell, redeem, divest, or withdraw all publicly traded securities of a company on the public fund's list of scrutinized companies, so long as the company remains on that list, within eighteen months following the first written notice sent to the scrutinized company as required by section 12J.3.

b. This subsection shall not be construed to require the premature or otherwise imprudent sale, redemption, divestment, or withdrawal of an investment, but such sale, redemption, divestment, or withdrawal shall be completed as provided by this subsection.

3. The requirements of this section shall not apply to indirect holdings of a scrutinized company. The public fund shall, however, submit letters to the managers of such investment funds containing scrutinized companies requesting that they consider removing such companies from the fund or create a similar fund with indirect holdings devoid of such companies. If the manager creates a similar fund with indirect holdings devoid of such companies, the public fund is encouraged to replace all applicable investments with investments in the similar fund consistent with prudent investing standards.

2016 Acts, ch 1102, §4

Referred to in §12J.5