

AMENDED IN ASSEMBLY APRIL 18, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 533**

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**Introduced by Assembly Member Ian Calderon**

February 20, 2013

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An act to amend ~~Section~~ *Sections 6752 and 6753* of the Family Code, relating to minors.

LEGISLATIVE COUNSEL'S DIGEST

AB 533, as amended, Ian Calderon. Artistic employment contracts: minors.

Existing law regulates certain contracts for artistic employment between an unemancipated minor and 3rd parties, including employment as an actor, dancer, musician, comedian, singer, stunt-person, voice-over artist, or sports player. Existing law *requires the minor's employer under one of these contracts to set aside 15% of the minor's gross earnings, as specified, and* provides for the establishment of a trust for the purpose of preserving for the minor a portion of the minor's gross earnings, as defined. ~~Existing law prohibits a withdrawal from this trust account by the beneficiary or any other individual or entity before the beneficiary attains 18 years of age or is emancipated without a court order, as specified.~~

~~This bill would prohibit the financial institution or company that holds the trust from withdrawing funds from the trust account for the purpose of collecting fees or service charges assessed for maintenance of the account prior to the date on which the beneficiary of the trust attains 18 years of age or is emancipated without a court order as specified. *exempt an employer of a minor under a contract as described above for services as an extra, background performer, or in a similar capacity*~~

from the requirement that the employer set aside 15% of the minor's gross earnings in trust for the benefit of the minor. The bill would also correct related obsolete cross-references.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 6752 of the Family Code is amended to  
2 read:

3     6752. (a) A parent or guardian entitled to the physical custody,  
4 care, and control of a minor who enters into a contract of a type  
5 described in Section 6750 shall provide a certified copy of the  
6 minor's birth certificate indicating the minor's minority to the  
7 other party or parties to the contract and in addition, in the case of  
8 a guardian, a certified copy of the court document appointing the  
9 person as the minor's legal guardian.

10     (b) (1) Notwithstanding any other statute, in an order approving  
11 a minor's contract of a type described in Section 6750, the court  
12 shall require that 15 percent of the minor's gross earnings pursuant  
13 to the contract be set aside by the minor's employer ~~in~~, *except an*  
14 *employer of a minor for services as an extra, background*  
15 *performer, or in a similar capacity, as described in paragraph (3)*  
16 *of subdivision (b) of Section 6750. These amounts shall be held in*  
17 *trust, in an account or other savings plan, and preserved for the*  
18 *benefit of the minor in accordance with Section 6753.*

19     (2) The court shall require that at least one parent or legal  
20 guardian, as the case may be, entitled to the physical custody, care,  
21 and control of the minor at the time the order is issued be appointed  
22 as trustee of the funds ordered to be set aside in trust for the benefit  
23 of the minor, unless the court shall determine that appointment of  
24 a different individual, individuals, entity, or entities as trustee or  
25 trustees is required in the best interest of the minor.

26     (3) Within 10 business days after commencement of  
27 employment, the trustee or trustees of the funds ordered to be set  
28 aside in trust shall provide the minor's employer with a true and  
29 accurate photocopy of the trustee's statement pursuant to Section  
30 6753. Upon presentation of the trustee's statement offered pursuant  
31 to this subdivision, the employer shall provide the parent or

1 guardian with a written ~~acknowledgement~~ *acknowledgment* of  
2 receipt of the statement.

3 (4) The minor's employer shall deposit or disburse the 15  
4 percent of the minor's gross earnings pursuant to the contract  
5 within 15 business days after receiving a true and accurate copy  
6 of the trustee's statement pursuant to subdivision (c) of Section  
7 6753, a certified copy of the minor's birth certificate, and, in the  
8 case of a guardian, a certified copy of the court document  
9 appointing the person as the minor's guardian. Notwithstanding  
10 any other ~~provision of~~ law, pending receipt of these documents,  
11 the minor's employer shall hold, for the benefit of the minor, the  
12 15 percent of the minor's gross earnings pursuant to the contract.  
13 *This paragraph does not apply to an employer of a minor for*  
14 *services as an extra, background performer, or in a similar*  
15 *capacity, as described in paragraph (3) of subdivision (b) of*  
16 *Section 6750.*

17 (5) When making the initial deposit of funds, the minor's  
18 employer shall provide written notification to the financial  
19 institution or company that the funds are subject to Section 6753.  
20 Upon receipt of the court order, the minor's employer shall provide  
21 the financial institution with a copy of the order.

22 (6) Once the minor's employer deposits the set aside funds  
23 pursuant to Section 6753, in trust, in an account or other savings  
24 plan, the minor's employer shall have no further obligation or duty  
25 to monitor or account for the funds. The trustee or trustees of the  
26 trust shall be the only individual, individuals, entity, or entities  
27 with the obligation or duty to monitor and account for those funds  
28 once they have been deposited by the minor's employer. The  
29 trustee or trustees shall do an annual accounting of the funds held  
30 in trust, in an account or other savings plan, in accordance with  
31 Sections 16062 and 16063 of the Probate Code.

32 (7) The court shall have continuing jurisdiction over the trust  
33 established pursuant to the order and may at any time, upon petition  
34 of the parent or legal guardian, the minor, through his or her  
35 guardian ad litem, or the trustee or trustees, on good cause shown,  
36 order that the trust be amended or terminated, notwithstanding the  
37 provisions of the declaration of trust. An order amending or  
38 terminating a trust may be made only after reasonable notice to  
39 the beneficiary and, if the beneficiary is then a minor, to the parent

1 or guardian, if any, and to the trustee or trustees of the funds with  
2 opportunity for all parties to appear and be heard.

3 (8) A parent or guardian entitled to the physical custody, care,  
4 and control of the minor shall promptly notify the minor's employer  
5 in writing of any change in facts that affect the employer's  
6 obligation or ability to set aside the funds in accordance with the  
7 order, including, but not limited to, a change of financial institution  
8 or account number, or the existence of a new or amended order  
9 issued pursuant to paragraph (7) amending or terminating the  
10 employer's obligations under this section. The written notification  
11 shall be accompanied by a true and accurate photocopy of the  
12 trustee's statement pursuant to Section 6753 and, if applicable, a  
13 true and accurate photocopy of the new or amended order.

14 (9) (A) If a parent, guardian, or trustee fails to provide the  
15 minor's employer with a true and accurate photocopy of the  
16 trustee's statement pursuant to Section 6753 within 180 days after  
17 the commencement of employment, the employer shall forward  
18 to The Actors' Fund of America 15 percent of the minor's gross  
19 earnings pursuant to the contract, together with the minor's name  
20 and, if known, the minor's social security number, birth date, last  
21 known address, telephone number, e-mail address, dates of  
22 employment, and title of the project on which the minor was  
23 employed, and shall notify the parent, guardian, or trustee of that  
24 transfer by certified mail to the last known address. Upon receipt  
25 of those forwarded funds, The Actors' Fund of America shall  
26 become the trustee of those funds and the minor's employer shall  
27 have no further obligation or duty to monitor or account for the  
28 funds.

29 (B) The Actors' Fund of America shall make its best efforts to  
30 notify the parent, guardian, or trustee of their responsibilities to  
31 provide a true and accurate photocopy of the trustee's statement  
32 pursuant to Section 6753, and in the case of a guardian, a certified  
33 copy of the court document appointing the person as the minor's  
34 legal guardian. Within 15 business days after receiving those  
35 documents, The Actors' Fund of America shall deposit or disburse  
36 the funds as directed by the trustee's statement. When making that  
37 deposit or disbursement of the funds, The Actors' Fund of America  
38 shall provide to the financial institution notice that the funds are  
39 subject to Section 6753 and a copy of each applicable order, and

1 shall thereafter have no further obligation or duty to monitor or  
2 account for the funds.

3 (c) The Actors' Fund of America shall notify each beneficiary  
4 of his or her entitlement to the funds that it holds for the beneficiary  
5 within 60 days after the date on which its records indicated that  
6 the beneficiary has attained 18 years of age or the date on which  
7 it received notice that the minor has been emancipated, by sending  
8 that notice to the last known address for the beneficiary or, if it  
9 has no specific separate address for the beneficiary, to the  
10 beneficiary's parent or guardian.

11 (d) (1) Notwithstanding any other statute, for any minor's  
12 contract of a type described in Section 6750 that is not being  
13 submitted for approval by the court pursuant to Section 6751, or  
14 for which the court has issued a final order denying approval, 15  
15 percent of the minor's gross earnings pursuant to the contract shall  
16 be set aside by the minor's employer ~~in~~, *except an employer of a*  
17 *minor for services as an extra, background performer, or in a*  
18 *similar capacity, as described in paragraph (3) of subdivision (b)*  
19 *of Section 6750. These amounts shall be held in trust, in an account*  
20 *or other savings plan, and preserved for the benefit of the minor*  
21 *in accordance with Section 6753. At least one parent or legal*  
22 *guardian, as the case may be, entitled to the physical custody, care,*  
23 *and control of the minor, shall be the trustee of the funds set aside*  
24 *for the benefit of the minor, unless the court, upon petition by the*  
25 *parent or legal guardian, the minor, through his or her guardian ad*  
26 *litem, or the trustee or trustees of the trust, shall determine that*  
27 *appointment of a different individual, individuals, entity, or entities*  
28 *as trustee or trustees is required in the best interest of the minor.*

29 (2) Within 10 business days of commencement after  
30 employment, a parent or guardian, as the case may be, entitled to  
31 the physical custody, care, and control of the minor shall provide  
32 the minor's employer with a true and accurate photocopy of the  
33 trustee's statement pursuant to Section 6753 and in addition, in  
34 the case of a guardian, a certified copy of the court document  
35 appointing the person as the minor's legal guardian. Upon  
36 presentation of the trustee's statement offered pursuant to this  
37 subdivision, the employer shall provide the parent or guardian with  
38 a written ~~acknowledgement~~ *acknowledgment* of receipt of the  
39 statement.

1 (3) The minor's employer shall deposit 15 percent of the minor's  
2 gross earnings pursuant to the contract within 15 business days of  
3 receiving the trustee's statement pursuant to Section 6753, or if  
4 the court denies approval of the contract, within 15 business days  
5 of receiving a final order denying approval of the contract.  
6 Notwithstanding any other statute, pending receipt of the trustee's  
7 statement or the final court order, the minor's employer shall hold  
8 for the benefit of the minor the 15 percent of the minor's gross  
9 earnings pursuant to the contract. When making the initial deposit  
10 of funds, the minor's employer shall provide written notification  
11 to the financial institution or company that the funds are subject  
12 to Section 6753. *This paragraph does not apply to an employer*  
13 *of a minor for services as an extra, background performer, or in*  
14 *a similar capacity, as described in paragraph (3) of subdivision*  
15 *(b) of Section 6750.*

16 (4) Once the minor's employer deposits the set aside funds in  
17 trust, in an account or other savings plan pursuant to Section 6753,  
18 the minor's employer shall have no further obligation or duty to  
19 monitor or account for the funds. The trustee or trustees of the  
20 trust shall be the only individual, individuals, entity, or entities  
21 with the obligation or duty to monitor and account for those funds  
22 once they have been deposited by the minor's employer. The  
23 trustee or trustees shall do an annual accounting of the funds held  
24 in trust, in an account or other savings plan, in accordance with  
25 Sections 16062 and 16063 of the Probate Code.

26 (5) Upon petition of the parent or legal guardian, the minor,  
27 through his or her guardian ad litem, or the trustee or trustees of  
28 the trust, to the superior court in any county in which the minor  
29 resides or in which the trust is established, the court may at any  
30 time, on good cause shown, order that the trust be amended or  
31 terminated, notwithstanding the provisions of the declaration of  
32 trust. An order amending or terminating a trust may be made only  
33 after reasonable notice to the beneficiary and, if the beneficiary is  
34 then a minor, to the parent or guardian, if any, and to the trustee  
35 or trustees of the funds with opportunity for all parties to appear  
36 and be heard.

37 (6) A parent or guardian entitled to the physical custody, care,  
38 and control of the minor shall promptly notify the minor's employer  
39 in writing of any change in facts that affect the employer's  
40 obligation or ability to set aside funds for the benefit of the minor

1 in accordance with this section, including, but not limited to, a  
2 change of financial institution or account number, or the existence  
3 of a new or amended order issued pursuant to paragraph (5)  
4 amending or terminating the employer's obligations under this  
5 section. The written notification shall be accompanied by a true  
6 and accurate photocopy of the trustee's statement and attachments  
7 pursuant to Section 6753 and, if applicable, a true and accurate  
8 photocopy of the new or amended order.

9 (7) (A) If a parent, guardian, or trustee fails to provide the  
10 minor's employer with a true and accurate photocopy of the  
11 trustee's statement pursuant to Section 6753, within 180 days after  
12 commencement of employment, the employer shall forward to  
13 The Actors' Fund of America the 15 percent of the minor's gross  
14 earnings pursuant to the contract, together with the minor's name  
15 and, if known, the minor's social security number, birth date, last  
16 known address, telephone number, e-mail address, dates of  
17 employment, and the title of the project on which the minor was  
18 employed, and shall notify the parent, guardian, or trustee of that  
19 transfer by certified mail to the last known address. Upon receipt  
20 of those forwarded funds, The Actors' Fund of America shall  
21 become the trustee of those funds and the minor's employer shall  
22 have no further obligation or duty to monitor or account for the  
23 funds.

24 (B) The Actors' Fund of America shall make best efforts to  
25 notify the parent, guardian, or trustee of their responsibilities to  
26 provide a true and accurate photocopy of the trustee's statement  
27 pursuant to Section 6753 and in the case of a guardian, a certified  
28 copy of the court document appointing the person as the minor's  
29 legal guardian. After receiving those documents, The Actors' Fund  
30 of America shall deposit or disburse the funds as directed by the  
31 trustee's statement, and in accordance with Section 6753, within  
32 15 business days. When making that deposit or disbursement of the  
33 funds, The Actors' Fund of America shall provide notice to the  
34 financial institution that the funds are subject to Section 6753, and  
35 shall thereafter have no further obligation or duty to monitor or  
36 account for the funds.

37 (C) The Actors' Fund of America shall notify each beneficiary  
38 of his or her entitlement to the funds that it holds for the  
39 beneficiary, within 60 days after the date on which its records  
40 indicate that the beneficiary has attained 18 years of age or the

1 date on which it received notice that the minor has been  
2 emancipated, by sending that notice to the last known address that  
3 it has for the beneficiary, or to the beneficiary's parent or guardian,  
4 where it has no specific separate address for the beneficiary.

5 (e) Where a parent or guardian is entitled to the physical custody,  
6 care, and control of a minor who enters into a contract of a type  
7 described in Section 6750, the relationship between the parent or  
8 guardian and the minor is a fiduciary relationship that is governed  
9 by the law of trusts, whether or not a court has issued a formal  
10 order to that effect. The parent or guardian acting in his or her  
11 fiduciary relationship, shall, with the earnings and accumulations  
12 of the minor under the contract, pay all liabilities incurred by the  
13 minor under the contract, including, but not limited to, payments  
14 for taxes on all earnings, including taxes on the amounts set aside  
15 under subdivisions (b) and (c) of this section, and payments for  
16 personal or professional services rendered to the minor or the  
17 business related to the contract. Nothing in this subdivision shall  
18 be construed to alter any other existing responsibilities of a parent  
19 or legal guardian to provide for the support of a minor child.

20 (f) (1) Except as otherwise provided in this subdivision, The  
21 Actors' Fund of America, as trustee of unclaimed set-aside funds,  
22 shall manage and administer those funds in the same manner as a  
23 trustee under the Probate Code. Notwithstanding the foregoing,  
24 The Actors' Fund of America is not required to open separate,  
25 segregated individual trust accounts for each beneficiary but may  
26 hold the set-aside funds in a single, segregated master account for  
27 all beneficiaries, provided it maintains accounting records for each  
28 beneficiary's interest in the master account.

29 (2) The Actors' Fund of America shall have the right to transfer  
30 funds from the master account, or from a beneficiary's segregated  
31 account to its general account in an amount equal to the  
32 beneficiary's balance. The Actors' Fund of America shall have  
33 the right to use those funds transferred to its general account to  
34 provide programs and services for young performers. This use of  
35 the funds does not limit or alter The Actors' Fund of America's  
36 obligation to disburse the set-aside funds to the beneficiary, or the  
37 beneficiary's parent, guardian, trustee, or estate pursuant to this  
38 chapter.

39 (3) (A) Upon receiving a certified copy of the beneficiary's  
40 birth certificate, or United States passport, and a true and accurate

1 photocopy of the trustee’s statement pursuant to Section 6753, The  
2 Actors’ Fund of America shall transfer the beneficiary’s balance  
3 to the trust account established for the beneficiary.

4 (B) The Actors’ Fund of America shall disburse the set-aside  
5 funds to a beneficiary who has attained 18 years of age, after  
6 receiving proof of the beneficiary’s identity and a certified copy  
7 of the beneficiary’s birth certificate or United States passport, or  
8 to a beneficiary who has been emancipated, after receiving proof  
9 of the beneficiary’s identity and appropriate documentation  
10 evidencing the beneficiary’s emancipation.

11 (C) The Actors’ Fund of America shall disburse the set-aside  
12 funds to the estate of a deceased beneficiary after receiving  
13 appropriate documentation evidencing the death of the beneficiary  
14 and the claimant’s authority to collect those funds on behalf of the  
15 beneficiary.

16 (g) (1) The beneficiary of an account held by The Actors’ Fund  
17 of America pursuant to this section shall be entitled to receive  
18 imputed interest on the balance in his or her account for the entire  
19 period during which the account is held at a rate equal to the lesser  
20 of the federal reserve rate in effect on the last business day of the  
21 prior calendar quarter or the national average money market rate  
22 as published in the New York Times on the last Sunday of the  
23 prior calendar quarter, adjusted quarterly.

24 (2) The Actors’ Fund of America may assess and deduct from  
25 the balance in the beneficiary’s account reasonable management,  
26 administrative, and investment expenses, including  
27 beneficiary-specific fees for initial set up, account notifications  
28 and account disbursements, and a reasonably allocable share of  
29 management, administrative, and investment expenses of the master  
30 account. No fees may be charged to any beneficiary’s account  
31 during the first year that the account is held by The Actors’ Fund  
32 of America.

33 (3) Notwithstanding paragraph (2), the amount paid on any  
34 claim made by a beneficiary or the beneficiary’s parent or guardian  
35 after The Actors’ Fund of America receives and holds funds  
36 pursuant to this section may not be less than the amount of the  
37 funds received plus the imputed interest.

38 (h) Notwithstanding any provision of this chapter to the contrary,  
39 any minor’s employer holding set-aside funds under this chapter,  
40 which funds remain unclaimed 180 days after the effective date

1 hereof, shall forward those unclaimed funds to The Actors' Fund  
2 of America, along with the minor's name and, if known, the  
3 minor's social security number, birth date, last known address,  
4 telephone number, e-mail address, dates of employment, and the  
5 title of the project on which the minor was employed, and shall  
6 notify the parent, guardian, or trustee of that transfer by certified  
7 mail to the last known address. Upon receipt of those forwarded  
8 funds by The Actors' Fund of America, the minor's employer shall  
9 have no further obligation or duty to monitor or account for the  
10 funds.

11 (i) All funds received by The Actors' Fund of America pursuant  
12 to this section shall be exempt from the application of the  
13 Unclaimed Property Law (Title 10 (commencing with Section  
14 1300) of Part 3 of the Code of Civil Procedure), including, but not  
15 limited to, Section 1510 of the Code of Civil Procedure.

16 *SEC. 2. Section 6753 of the Family Code is amended to read:*

17 6753. (a) The trustee or trustees shall establish a trust account,  
18 that shall be known as a Coogan Trust Account, pursuant to this  
19 section at a bank, savings and loan institution, credit union,  
20 brokerage firm, or company registered under the Investment  
21 Company Act of 1940, that is located in the State of California,  
22 unless a similar trust has been previously established, for the  
23 purpose of preserving for the benefit of the minor the portion of  
24 the minor's gross earnings pursuant to paragraph (1) of subdivision  
25 (b) of Section 6752 or pursuant to paragraph (1) of subdivision-(e)  
26 (d) of Section 6752. The trustee or trustees shall establish the trust  
27 pursuant to this section within seven business days after the minor's  
28 contract is signed by the minor, the third-party individual or  
29 personal services corporation (loan-out company), and the  
30 employer.

31 (b) Except as otherwise provided in this section, prior to the  
32 date on which the beneficiary of the trust attains the age of 18  
33 years or the issuance of a declaration of emancipation of the minor  
34 under Section 7122, no withdrawal by the beneficiary or any other  
35 individual, individuals, entity, or entities may be made of funds  
36 on deposit in trust without written order of the superior court  
37 pursuant to paragraph (7) of subdivision (b) or paragraph (5) of  
38 subdivision-(e) (d) of Section 6752. Upon reaching the age of 18  
39 years, the beneficiary may withdraw the funds on deposit in trust

1 only after providing a certified copy of the beneficiary's birth  
2 certificate to the financial institution where the trust is located.

3 (c) The trustee or trustees shall, within 10 business days after  
4 the minor's contract is signed by the minor, the third-party  
5 individual or personal services corporation (loan-out company),  
6 and the employer, prepare a written statement under penalty of  
7 perjury that shall include the name, address, and telephone number  
8 of the financial institution, the name of the account, the number  
9 of the account, the name of the minor beneficiary, the name of the  
10 trustee or trustees of the account, and any additional information  
11 needed by the minor's employer to deposit into the account the  
12 portion of the minor's gross earnings prescribed by paragraph (1)  
13 of subdivision (b) or paragraph (1) of subdivision ~~(e)~~ (d) of Section  
14 6752. The trustee or trustees shall attach to the written statement  
15 a true and accurate photocopy of any information received from  
16 the financial institution confirming the creation of the account,  
17 such as an account agreement, account terms, passbook, or other  
18 similar writings.

19 (d) The trust shall be established in California either with a  
20 financial institution that is and remains insured at all times by the  
21 Federal Deposit Insurance Corporation (FDIC), the Securities  
22 Investor Protection Corporation (SIPC), or the National Credit  
23 Union Share Insurance Fund (NCUSIF) or their respective  
24 successors, or with a company that is and remains registered under  
25 the Investment Company Act of 1940. The trustee or trustees of  
26 the trust shall be the only individual, individuals, entity, or entities  
27 with the obligation or duty to ensure that the funds remain in trust,  
28 in an account or other savings plan insured in accordance with this  
29 section, or with a company that is and remains registered under  
30 the Investment Company Act of 1940 as authorized by this section.

31 (e) Upon application by the trustee or trustees to the financial  
32 institution or company in which the trust is held, the trust funds  
33 shall be handled by the financial institution or company in one or  
34 more of the following methods:

35 (1) The financial institution or company may transfer funds to  
36 another account or other savings plan at the same financial  
37 institution or company, provided that the funds transferred shall  
38 continue to be held in trust, and subject to this chapter.

39 (2) The financial institution or company may transfer funds to  
40 another financial institution or company, provided that the funds

1 transferred shall continue to be held in trust, and subject to this  
2 chapter and that the transferring financial institution or company  
3 has provided written notification to the financial institution or  
4 company to which the funds will be transferred that the funds are  
5 subject to this section and written notice of the requirements of  
6 this chapter.

7 (3) The financial institution or company may use all or a part  
8 of the funds to purchase, in the name of and for the benefit of the  
9 minor, (A) investment funds offered by a company registered under  
10 the Investment Company Act of 1940, provided that if the  
11 underlying investments are equity securities, the investment fund  
12 is a broad-based index fund or invests broadly across the domestic  
13 or a foreign regional economy, is not a sector fund, and has assets  
14 under management of at least two hundred fifty million dollars  
15 (\$250,000,000); or (B) government securities and bonds,  
16 certificates of deposit, money market instruments, money market  
17 accounts, or mutual funds investing solely in those government  
18 securities and bonds, certificates, instruments, and accounts, that  
19 are available at the financial institution where the trust fund or  
20 other savings plan is held, provided that the funds shall continue  
21 to be held in trust and subject to this chapter, those purchases shall  
22 have a maturity date on or before the date upon which the minor  
23 will attain the age of 18 years, and any proceeds accruing from  
24 those purchases shall be redeposited into that account or accounts  
25 or used to further purchase any of those or similar securities, bonds,  
26 certificates, instruments, funds, or accounts.

27 ~~SECTION 1. Section 6753 of the Family Code is amended to~~  
28 ~~read:~~

29 ~~6753. (a) The trustee or trustees shall establish a trust account,~~  
30 ~~that shall be known as a Coogan Trust Account, pursuant to this~~  
31 ~~section at a bank, savings and loan institution, credit union,~~  
32 ~~brokerage firm, or company registered under the Investment~~  
33 ~~Company Act of 1940, that is located in the State of California,~~  
34 ~~unless a similar trust has been previously established, for the~~  
35 ~~purpose of preserving for the benefit of the minor the portion of~~  
36 ~~the minor's gross earnings pursuant to paragraph (1) of subdivision~~  
37 ~~(b) of Section 6752 or pursuant to paragraph (1) of subdivision (c)~~  
38 ~~of Section 6752. The trustee or trustees shall establish the trust~~  
39 ~~pursuant to this section within seven business days after the minor's~~  
40 ~~contract is signed by the minor, the third-party individual or~~

1 ~~personal services corporation (loan-out company), and the~~  
2 ~~employer.~~

3 ~~(b) Except as otherwise provided in this section, prior to the~~  
4 ~~date on which the beneficiary of the trust attains 18 years of age~~  
5 ~~or the issuance of a declaration of emancipation of the minor under~~  
6 ~~Section 7122, no withdrawal by the beneficiary or any other~~  
7 ~~individual, individuals, entity, or entities, including the financial~~  
8 ~~institution or company in which the trust is held, for purposes of~~  
9 ~~collecting fees or service charges assessed for maintenance of the~~  
10 ~~trust, may be made of funds on deposit in trust without written~~  
11 ~~order of the superior court pursuant to paragraph (7) of subdivision~~  
12 ~~(b) or paragraph (5) of subdivision (d) of Section 6752. Upon~~  
13 ~~reaching 18 years of age, the beneficiary may withdraw the funds~~  
14 ~~on deposit in trust only after providing a certified copy of the~~  
15 ~~beneficiary's birth certificate to the financial institution where the~~  
16 ~~trust is located.~~

17 ~~(c) The trustee or trustees shall, within 10 business days after~~  
18 ~~the minor's contract is signed by the minor, the third-party~~  
19 ~~individual or personal services corporation (loan-out company),~~  
20 ~~and the employer, prepare a written statement under penalty of~~  
21 ~~perjury that shall include the name, address, and telephone number~~  
22 ~~of the financial institution, the name of the account, the number~~  
23 ~~of the account, the name of the minor beneficiary, the name of the~~  
24 ~~trustee or trustees of the account, and any additional information~~  
25 ~~needed by the minor's employer to deposit into the account the~~  
26 ~~portion of the minor's gross earnings prescribed by paragraph (1)~~  
27 ~~of subdivision (b) or paragraph (1) of subdivision (c) of Section~~  
28 ~~6752. The trustee or trustees shall attach to the written statement~~  
29 ~~a true and accurate photocopy of any information received from~~  
30 ~~the financial institution confirming the creation of the account,~~  
31 ~~such as an account agreement, account terms, passbook, or other~~  
32 ~~similar writings.~~

33 ~~(d) The trust shall be established in California either with a~~  
34 ~~financial institution that is and remains insured at all times by the~~  
35 ~~Federal Deposit Insurance Corporation (FDIC), the Securities~~  
36 ~~Investor Protection Corporation (SIPC), or the National Credit~~  
37 ~~Union Share Insurance Fund (NCUSIF) or their respective~~  
38 ~~successors, or with a company that is and remains registered under~~  
39 ~~the Investment Company Act of 1940. The trustee or trustees of~~  
40 ~~the trust shall be the only individual, individuals, entity, or entities~~

1 with the obligation or duty to ensure that the funds remain in trust,  
2 in an account or other savings plan insured in accordance with this  
3 section, or with a company that is and remains registered under  
4 the Investment Company Act of 1940 as authorized by this section.

5 (e) Upon application by the trustee or trustees to the financial  
6 institution or company in which the trust is held, the trust funds  
7 shall be handled by the financial institution or company in one or  
8 more of the following methods:

9 (1) The financial institution or company may transfer funds to  
10 another account or other savings plan at the same financial  
11 institution or company, provided that the funds transferred shall  
12 continue to be held in trust, and subject to this chapter.

13 (2) The financial institution or company may transfer funds to  
14 another financial institution or company, provided that the funds  
15 transferred shall continue to be held in trust, and subject to this  
16 chapter and that the transferring financial institution or company  
17 has provided written notification to the financial institution or  
18 company to which the funds will be transferred that the funds are  
19 subject to this section and written notice of the requirements of  
20 this chapter.

21 (3) The financial institution or company may use all or a part  
22 of the funds to purchase, in the name of and for the benefit of the  
23 minor, (A) investment funds offered by a company registered under  
24 the Investment Company Act of 1940, provided that if the  
25 underlying investments are equity securities, the investment fund  
26 is a broad-based index fund or invests broadly across the domestic  
27 or a foreign regional economy, is not a sector fund, and has assets  
28 under management of at least two hundred fifty million dollars  
29 (\$250,000,000); or (B) government securities and bonds,  
30 certificates of deposit, money market instruments, money market  
31 accounts, or mutual funds investing solely in those government  
32 securities and bonds, certificates, instruments, and accounts, that  
33 are available at the financial institution where the trust fund or  
34 other savings plan is held, provided that the funds shall continue  
35 to be held in trust and subject to this chapter, those purchases shall  
36 have a maturity date on or before the date upon which the minor  
37 will attain the age of 18 years, and any proceeds accruing from  
38 those purchases shall be redeposited into that account or accounts  
39 or used to further purchase any of those or similar securities, bonds,  
40 certificates, instruments, funds, or accounts.

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