§ 723. Specific prohibited financial interests and transactions. 1. Without limiting his fiduciary obligation provided in section seven hundred twenty-two, it shall constitute a violation of his fiduciary obligation for an officer or agent of a labor organization:

(a) To have, directly or indirectly, any financial interest in any business or transaction of either an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining, or an employer who is in the same industry as such an employer;

(b) To have, directly or indirectly, any financial interest in the business or transaction of any person who sells to, buys from, or otherwise deals with (i) an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining, or (ii) an employer organization which represents such employer, or (iii) an employer who is in the same industry as such an employer;

(c) To have, directly or indirectly, any financial interest in the business of any person who sells to, buys from, or otherwise deals with his labor organization;

(d) To have, directly or indirectly, any financial interest in any transaction with his labor organization for the purchase or sale of property or services, except reasonable compensation for services rendered by him to such organization as officer or agent;

(e) To receive, directly or indirectly, any payments, loans, or gifts from (i) an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining, or (ii) an employer organization which represents such employer, or (iii) an employer who is in the same industry as such an employer; provided, however, that such an officer or agent may receive reasonable compensation for services rendered by him as an employee of such employer, or payments required by collective agreement to be made in lieu of wages for time lost from work while engaged in collective bargaining, handling of grievances, or otherwise in the administration of a collective agreement;

(f) To lend any funds of the labor organization, directly or indirectly, to either any officer, agent, or employee of such organization, or any business in which an officer, agent, or employee of

such organization has, directly or indirectly, a financial interest; provided, however, that loans may be made from a loan fund which has been set aside in accordance with a written resolution of the governing board of the labor organization for the specific purpose of making personal loans to its officers, agents, and employees generally, in compliance with established, written rules; or

(g) To lend or invest any funds of the labor organization, directly or indirectly, in any business of an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining, except where the governing board of the labor organization has adopted a written resolution finding and determining that such loan or investment will promote the best interests of the employees and will not adversely affect collective bargaining.

2. The fact that conduct or acts of an officer or agent of a labor organization have not caused damage to such organization or any of its members, or have been ratified or acquiesced in by such organization or its members, shall not be relevant in determining whether such conduct or acts constitute a violation by such officer or agent of any of the obligations provided in section seven hundred twenty-two and in this section.

3. Nothing contained in this section shall prohibit an officer or agent of a labor organization from:

(a) holding a financial interest acquired as an employee through a regularly established employee benefit plan, including a stock purchase, profit sharing, pension or retirement plan;

(b) holding securities traded on a securities exchange registered as a national exchange under the securities exchange act of nineteen hundred thirty-four, or securities traded on over-the-counter markets within the meaning of such act, or shares in an investment company registered under the investment company act of nineteen hundred forty, or securities of a public utility holding company registered under the public utility holding company act of nineteen hundred thirty-five, and all federal laws amendatory and supplemental to such acts; provided, however, that any investment in such securities or shares shall not constitute more than one per cent of the outstanding securities or shares of the

respective class or classes of securities or shares which he holds;

(c) lending to, or investing in, any business owned predominantly by a labor organization or labor organizations; or

(d) receiving gifts, otherwise lawful, from employers whose employees his labor organization represents and from employer organizations which represent such employers, provided the cumulative retail value of such gifts from all such employers and employer organizations does not exceed one hundred dollars in any calendar year.

4. Nothing contained in this section shall prohibit any labor organization from:

(a) Acquiring a nominal number of shares in any corporation for the purpose of qualifying as stockholder in order to obtain financial statements of the corporation; or

(b) Lending to, or investing in, any business owned predominately by a labor organization or labor organizations.