

Cal Prob Code § 16002 (2007)

**§ 16002. Duty of loyalty**

**(a)** The trustee has a duty to administer the trust solely in the interest of the beneficiaries.

**(b)** It is not a violation of the duty provided in subdivision (a) for a trustee who administers two trusts to sell, exchange, or participate in the sale or exchange of trust property between the trusts, if both of the following requirements are met:

**(1)** The sale or exchange is fair and reasonable with respect to the beneficiaries of both trusts.

**(2)** The trustee gives to the beneficiaries of both trusts notice of all material facts related to the sale or exchange that the trustee knows or should know.