

with interest at the rate of four (4) per cent per annum, or by the National Fraternal Congress Table of Mortality with interest at the rate of four (4) per cent per annum, and the association shall carry as a liability the reserves so determined, and that assets representing such reserves shall be held in trust for such members separate and distinct from assets belonging to members holding certificates on which such reserves are not maintained, and that the assets so held in trust shall not be used to pay any claims or benefits upon any certificates to members other than to the members for whom said assets are so held in trust.

Nor shall anything contained herein or contained in the laws of this state regulating fraternal benefit societies, orders or associations be held to restrict the right of any fraternal benefit society in the use of any surplus over and above the accumulation required by the table by which the rates are computed and the accretions thereon, as prescribed by the laws or rules of the society, provided, the same are used for the common benefit of all the members.

*Any fraternal benefit society which shall accumulate and maintain the assets required for the payment of benefits upon all contracts when valued by mortality and interest standards which provide reserves not less than those prescribed by the mortality tables and interest rates herein mentioned or the mortality tables and interest rates prescribed by law for life insurance companies, may enter into contracts with such persons in such forms and granting such benefits under such conditions as its laws may provide."*

Approved April 25, 1931

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#### CHAPTER 382—S. F. No. 1078

*An act creating a securities commission, prescribing the members thereof, defining the duties and powers of such members and fixing their salaries, providing certain regulations as to securities under the jurisdiction of said securities commission, transferring all rights, powers and duties now vested in the commissioner of securities under Sections 3997, 3998 and 3999, Mason's Minnesota Statutes for 1927, and repealing inconsistent laws.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. Assistant Attorney General for securities commission.**—The attorney general shall appoint an assistant attorney general, to be in addition to the number now authorized by law, whose appointment shall be approved by the governor and who shall be attorney and counsel for the division of securities under the department of commerce, and shall have charge of and may conduct all prosecutions for violation of the securities laws of the state, and all other proceedings for the enforcement thereof. Such assistant shall receive the same salary as the other assistant attorneys general, which salary, and the expenses and disbursements of such assistant actually and necessarily incurred in the performance of his duties under this act, shall be paid from the moneys appropriated to and for the use of the commissioner of securities.

**Sec. 2. Bureau of criminal apprehension to assist securities commission.**—The bureau of criminal apprehension shall be at the service of the division of securities under the department of commerce and at the service of the assistant attorney general designated as attorney for the division of securities for the purpose of detecting and apprehending violators of the securities laws of the state and gathering evidence and otherwise aiding in the prosecution of such violators.

At the request of the commissioner of securities or of said assistant attorney general, the county attorney of the county in which any violation of the securities laws of the state occur shall commence and conduct criminal prosecutions.

Upon request of any county attorney, the commissioner of securities and said assistant attorney general shall give assistance in any criminal prosecution for the violation of the securities laws.

**Sec. 3. Brokers or agents to report sales.**—The department of commerce may at any time or times require any issuer, broker or agent to report to the department of commerce all sales of any specified security registered or required to be registered under the securities law. Such reports shall be made within ten (10) days after demand therefor by the department of commerce and shall be open for inspection only to public authorities and then only upon a court order. Any person who shall make known in any manner not provided by law any information contained in such reports shall be guilty of a gross misdemeanor.

**Sec. 4. Notice to be printed on circular.**—Every circular, prospectus, advertisement, printed matter, document, pamphlet, leaflet or other matter containing or constituting an offer to sell securities registered by application shall have either printed or stamped on the face thereof in not less than ten point, red bold-faced type the following (except that in case of newspaper and other advertising in publications of general circulation other coloring may be used):

NOTICE: While the laws of the State of Minnesota permit the sale of the securities herein described such legal permission does not mean that the State of Minnesota guarantees the success of the enterprise covered by such securities.

**Sec. 5. Notice to be printed on stock certificate.**—Each and every stock certificate, bond or other investment instrument, licensed and issued under the provisions of this Act shall, upon delivery and sale, be accompanied by a certificate on the face of which the following shall appear:

NOTICE: While the laws of the State of Minnesota permit the sale of the attached securities such legal permission does not mean that the State of Minnesota guarantees the success of the enterprise covered by such securities.

The failure on the part of any vendor of such stock certificate, bond or other investment instrument, licensed and issued under the provisions of this Act to attach to such certificate, bond or investment instrument the notice herein prescribed shall constitute a misdemeanor and be punished accordingly.

**Sec. 6. Inconsistent acts repealed.**—All acts or parts of acts now in effect inconsistent with the provisions of this act are hereby superseded, modified or amended to conform to and give full force and effect to the provisions of this act.

**Sec. 7. Effective July 1, 1931.**—This act shall take effect and be in force from and after July 1, 1931.

Approved April 25, 1931