

Section 25. To reimburse Peter Anton Olson for the death of his wife, Amelia Olson, and for personal injuries sustained by reason of a collision of a motor vehicle operated by a member of the State Highway Patrol. 12,300.00

Section 26. This act shall take effect and be in force from and after its passage.

Approved April 26, 1937.

CHAPTER 481—H. F. No. 1704

An act to amend Chapter 21-B Mason's Minnesota Statutes for 1927, as amended by the Laws of 1931, Chapter 404, and the Laws of 1933; Chapter 408, Section 3996-2, Subsection 4; Section 3996-10 relating to agent's license and providing for blanket bonds or deposits of or by brokers, dealers and issuers; Section 3996-15 relating to advertising matter; Section 3996-30 relating to labels and notices on advertising material and securities, all relating to the regulation of sales and purchases and attempted sales and purchases within the State of Minnesota of stocks, bonds, notes, and other securities and agreements.

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

Section 1. **Law repealed.**—Mason's Minnesota Statutes for 1927, Section 3996-2, subsection 4, is hereby amended to read as follows:

Section 2. **Law amended.**—Mason's Minnesota Statutes for 1927, Section 3996-10, is hereby amended to read as follows:

"3996-10. Agents must be licensed.—No agent shall sell any securities unless or until he shall have been licensed as hereinafter required; provided that this section shall not apply to an agent of an issuer selling securities exempted under Section 2 of this Act, or selling securities in a manner exempted under Section 3 of this Act. No agent shall be issued a license under this act until he shall have resided in this state for one year *immediately* prior to making his application. Before any license shall be issued to an agent, other than an agent of a registered broker, he shall file a surety bond of such an amount as may be approved by the Commission for the benefit of the public, *or any dealer or issuer may file a surety blanket bond covering all of its licensed agents, or may deposit in and with a depository acceptable to and approved by the Commissioner*

of Securities, securities, cash or other collateral of such kind and in such amount and in such a manner as may be prescribed and approved by the Commissioner of Securities. The filing of such blanket bond by any licensed dealer or an issuer of securities duly registered, or the deposit of securities as aforesaid, shall operate in lieu of a bond as required for the individual agents of such licensed dealer or registered issuer so long as such dealer is duly licensed under the terms of this Act or the securities of such issuer remain registered in conformance with the terms of this Act; provided, however, that the Commissioner of Securities shall have power to require an additional or new bond to be filed by such dealer or issuer when in the opinion of the Commissioner of Securities the bond theretofore filed is insufficient due to the number of agents licensed for and on behalf of said dealer or issuer, or that the amount of the bond has become impaired by reason of liability contingent or accrued thereunder.

Agents' licenses shall be issued only to agents of issuers for whom securities are registered or to agents of licensed brokers or dealers.

To secure such license applications shall be made to the commission on forms prescribed by the commission, which application shall be signed and sworn to by the person desiring such license, shall contain the applicant's address, and such other information as the commission may require, and shall be accompanied by a statement signed by the issuer or broker or dealer for whom such applicant is agent stating that such issuer, broker, or dealer has appointed the person therein named as his agent. The commission shall have power to require the applicant or his principal to furnish such additional information regarding the agent as may seem necessary. Such application shall either be granted and license issued, or denied. The commission shall have power to deny an agent's application if the applicant is not of good business repute or has violated any of the provisions of this Act, or any registration, license or lawful order of the commission, or has engaged in any fraudulent transactions, or if it appears to the commission that the sale of securities by such applicant would work a fraud on purchasers thereof, or for good cause appearing to the commission. Denial shall be by written order. Agents' licenses shall be good for one year from date of issuance, unless sooner cancelled, suspended or revoked, and shall authorize the licensee therein named to do anything his principal is authorized to do.

The commission shall have power, in connection with any agent's license outstanding, to require the agent or the issuer, broker, or dealer for whom such agent was licensed, to furnish to the commission in such form as it may designate, any information deemed

necessary to assist the commission in determining whether such license should remain in force. Whenever the commission is in possession of information indicating that any licensed agent is not of good business repute, has violated or is about to violate any of the provisions of this Act, or any regulation, license or lawful order of the commission, or has engaged or is about to engage in any fraudulent transaction, or that the sale of securities by such licensee would work a fraud on purchasers thereof, or for good cause appear to the commission, it may issue its order requiring such licensee to show cause why his license should not be revoked. In any such order the commission shall fix the time and place for hearing thereon, at which time a hearing shall be had.

Any agent's license may be suspended pending the final determination of any order to show cause, during which suspension it shall be unlawful for such licensee to act as such agent. After the hearing the commission shall enter its order vacating such order to show cause and suspension, or permanently revoking the license, or making such other disposition of the matter as the facts require.

On any matter pertaining to an agent's license, the issuer, broker, or dealer for whom such agent was appointed shall be deemed an interested party. Failure to secure an agent's license shall be deemed a violation of this Act by both the issuer, broker, or dealer and the agent.

An agent's license may be canceled by the commission at any time at the request of either the issuer, broker, or dealer for whom such agent was licensed, or the agent.

Section 3. **Law amended.**—Mason's Minnesota Statutes for 1927, Section 3996-15, is hereby amended to read as follows:

"3996-15. Not to advertise unregistered securities.—No person shall himself, or by or through others, or as agent or otherwise, publish, circulate, distribute, or cause to be published, circulated, or distributed, in any manner, any circular, prospectus, advertisement, printed matter, document, pamphlet, leaflet or other matter, pertaining (containing) or constituting an offer to sell any securities which have not been registered as herein provided.

No circular, prospectus, advertisement, printed matter, document, pamphlet, leaflet or other matter (hereinafter referred to as advertising matter) containing or constituting an offer to sell any securities which have been registered in compliance with the provisions of Sections 5 and 6 hereof, shall be published, circulated, distributed, or caused to be published, circulated or distributed, in any manner, unless and until such advertising matter shall have been submitted in duplicate to the commission and approved by it. The commission

shall have power to disapprove any such advertising matter which it deems in conflict with the purposes of this act.

All such advertising matter shall carry the name and address of the issuer, broker, or dealer, circulating, publishing or distributing same, and shall make no reference to the registration of the securities or the issuance of a license by the commission.

The provisions of this section shall not apply to securities exempted under Section 2 of this act, nor to sales of securities made in a manner exempted under Section 3 of this act.

Section 4. **Law repealed.**—Mason's Minnesota Statutes for 1927, Section 3996-30, is hereby amended to read as follows:

Approved April 26, 1937.

CHAPTER 482—S. F. No. 28

An act to amend Extra Session Laws 1935, Chapter 95, Section 11, Subdivision (b) relating to the state wide system of old age assistance with particular reference to appeals from orders of a county agency to the state agency.

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

Section 1. **Appeals from order of a county agency.**—That Subdivision "b" of Section 11 of Chapter 95 of Extra Session Laws of 1935 be and the same hereby is amended so as to read as follows:

(b) If a decision or determination by the state agency is not, in the opinion of the county agency or applicant or recipient, in conformity with this act, either may within 30 days after such decision appeal from the decision or determination of the state agency to the district court of the county in which the application was filed, by serving a copy of a written notice of such appeal upon the state agency and adverse party and filing the original of such written notice, together with proof of service, with the clerk of the district court of the said county. Such appeal may be brought on for hearing by either party by mailing ten days' written notice stating the time and place of such hearing. Upon serving of such notice, the state agency shall, if demanded, furnish the county agency and applicant or recipient a summary of the issues involved, a copy of all supporting papers, a transcript of any testimony and a copy of its decision. The court shall summarily, upon 10 days' written