

## CHAPTER 51—H. F. No. 378

*An act relating to transportation of fish by a non-resident; amending Minnesota Statutes 1949, Section 97.45, Subdivision 6.*

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

Section 1. Minnesota Statutes 1949, Section 97.45, Subd. 6, is amended to read:

Subd. 6. A licensed non-resident may transport by common carrier to a point within or without this state, in any one season, one shipment containing not more than 15 pounds of undressed fish, or one fish of any size, which have been lawfully taken by him in this state. A coupon designed to carry out the purposes of this act may be issued for each non-resident fishing license, combination or otherwise, and such shipping coupon shall be cancelled by the shipping clerk of the carrier to whom the shipment is first delivered, in a manner prescribed by the commissioner. Such non-resident is further authorized to carry with him in any vehicle or on a common carrier to any point within or without the state, the limit of undressed fish which he is authorized to possess within the state, *except bullheads, which may be so transported in either a dressed or undressed condition.*

Approved February 25, 1953. —

## CHAPTER 52—H. F. No. 400

*An act relating to registration of securities, fees paid the commerce commission and annual report of commissioner of securities; amending Minnesota Statutes 1949, Sections 80.05, 80.06, 80.07, 80.20 and 80.23.*

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

Section 1. Minnesota Statutes 1949, Section 80.05, is amended to read as follows:

**80.05 Exempt securities.** The provisions of sections 80.07 to 80.10 with respect to the registration of securities, shall not apply to the following securities.

(1) Any security issued or guaranteed by the United States or by any state, territory or insular possession thereof, or by the District of Columbia, or by the Dominion of Canada or any province thereof, or by any political subdivision, municipi-

pality, or agency of any one or more of the foregoing or by any public instrumentality or corporate or quasi-corporate public body lawfully created by any one or more of the foregoing; provided such security is payable by exercise of the issuer's or guarantor's general taxation, special assessment, or licensing powers or by appropriation of revenues to be derived from operation of a publicly owned utility or convenience and also any certificate of deposit for, temporary or interim certificate for, or receipt for any such security.

(2) Any security issued by and representing an interest in, or issued by and representing a direct obligation of, a state bank or trust company organized and operating under the laws of Minnesota, a national bank, wherever located, or a corporation created or existing by an act of the congress of the United States other than corporations created or existing under the code of laws for the District of Columbia or under the code of laws for any territory or possession of the United States, provided that such corporation is subject to supervision or regulation by the government of the United States.

(3) Any security issued or guaranteed either as to principal, interest or dividends, by a railroad which is subject to regulation or supervision either as to its rates and charges or as to the issue of its own securities by any regulatory board, body or official, of the United States or of any state or territory or insular possession of the United States, or of the District of Columbia, and all securities senior thereto; also equipment notes, bonds, or trust certificates, based on chattel mortgages, leases, or agreements for conditional sale, of cars, motive power or other rolling stock mortgaged, leased or sold to or furnished for the use of any railroad and equipment notes, bonds or trust certificates where the ownership of title of such equipment is pledged or retained in accordance with the provisions of the laws of the United States or of any state, or of the Dominion of Canada, to secure the payment of such equipment notes, bonds or trust certificates; provided that such railroad is subject to regulation or supervision either as to its rates and charges or as to the issue of its own securities by a regulatory board, body or official having like powers, of the United States or of any state or territory or insular possession of the United States, or of the District of Columbia, and also any interest bearing securities issued by a public service utility which utility is subject to regulation or supervision either as to its rates and charges or as to the issue of its own securities by a public service commission, or any board, body, or official having like powers, of the United States or of any state or territory, which security would, at the time of sale,

qualify for registration under section 80.09, subdivision 2, clause (2) (a).

(4) Securities listed on the New York Stock Exchange, *American Stock Exchange*, and *Midwest Stock Exchange*, and additional amounts of any such securities when regularly approved for listing upon notice of issuance thereof, which securities have been so listed pursuant to official authorization by such exchange, and all securities senior to any securities so listed, subscription rights so listed, or evidences of indebtedness guaranteed by companies any stock of which is so listed, such securities to be exempt only so long as such listing shall remain in effect.

(5) Commercial paper or negotiable promissory notes, maturing not more than within six months from the date of issue.

(6) Any security issued by a corporation organized exclusively for social, religious, educational, benevolent, fraternal, charitable, or reformatory purposes and not for pecuniary gain, and no part of the net earnings of which inures to the benefit of any private stockholder or individual; provided, that any security in whatever form, issued by any such corporation, offering and furnishing a burial service or funeral benefit, directly or indirectly, for a financial consideration, shall be subject to registration.

(7) Policy contracts of insurance companies licensed to do business in this state.

(8) Any security issued by a building and loan association organized under the laws of this state.

(9) Securities of any cooperative association organized in good faith under the laws of this state exclusively for the purpose of conducting upon the cooperative plan among its members, stockholders, and patrons any or all of the following businesses: Any agricultural, dairy, live stock or produce business; the business of selling, marketing, or otherwise handling any agricultural, dairy or live stock products, or other produce, raised or produced by the members, stockholders, and patrons of such association, or by any cooperative associations; the manufacture of anything from any agricultural, dairy or live stock products, or other produce, produced by the members, stockholders and patrons of such association; any business incidental to any of the above purposes, the operation of a rural telephone or rural electrification distribution system among its stockholders. Except as last hereinabove provided otherwise, all cooperative associations organized or existing under Laws 1923, Chapter 326, shall be deemed within the purview of sec-

tions 80.05 to 80.27 and any provision to the contrary in Laws 1923, Chapter 326, is hereby repealed.

(10) Capital shares, which have been outstanding for at least five years, of a corporation, organized under the laws of a state of the United States or the District of Columbia, which has outstanding only one class of shares and which is authorized by law to write insurance in this state and which corporation itself, or together with its predecessor or predecessors, has been continuously engaged in the insurance business for 20 years, has an aggregate capital and surplus of not less than \$5,000,000 and has, during each of the past five years, paid a dividend, which aggregate dividends for such period averaged at least three per cent, calculated on the proposed sale price, on all its shares outstanding on the date of sale.

(11) Capital shares, which have been outstanding for at least five years, of a bank or trust company, organized under the laws of a state of the United States, or the District of Columbia, which has outstanding only one class of shares and which itself, or together with its predecessor or predecessors, has been continuously engaged in the banking business for 20 years, has an aggregate capital, surplus, and undivided profits of not less than \$5,000,000 and has, during each of the past five years, paid a dividend, which aggregate dividends for such period averaged at least three per cent, calculated on the proposed sale price, on all its shares outstanding on the date of sale.

The commission may, by written order or regulation, suspend or wholly revoke the exempt status of any security or class of security exempted by this section or may require, prior to the sale of any such security or class of security, such information with respect thereto or the manner or terms of the proposed sales thereof, or such reports after sales thereof, as the commission may deem necessary to enable it to determine whether or not it should suspend or revoke the exempt status of such security or class of security.

Section 2. Minnesota Statutes 1949, Section 80.06, is amended to read as follows:

**80.06 Sales excepted.** The provisions of sections 80.05 to 80.27, except as herein expressly provided, shall not apply to sales of the following character.

(1) Any isolated sales of any securities by the issuer or owner thereof, or by a representative for the account of such issuer or owner, such sales *not being made in the course of repeated and successive sales of securities of the same issue by such issuer or owner or by such representative for the account*

of such issuer or owner. This exception shall not be deemed to exempt a broker or a broker's agent for the requirement of obtaining a license as herein provided. In any complaint, information, or indictment charging a sale in violation of sections 80.05 to 80.27, it shall not be necessary to specifically name or identify persons, other than the complainant, to whom like sales have been made but it shall be sufficient to sustain the same upon demurrer or motion for dismissal before trial if it alleges that such sale was made in the course of repeated and successive sales of the same issue.

(2) Any sale of notes or bonds secured by a mortgage lien when the entire lien together with all notes or bonds secured thereby are sold to a single purchaser at a single sale.

(3) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction in this state.

(4) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution.

(5) Any subscription for securities when no cash or other consideration is paid by, or agreed to be paid by, the purchaser prior to the registration of the securities; provided, that all such subscriptions are expressly conditioned upon the registration of such securities within one year from the date of such subscription and otherwise to be null and void.

(6) The sale, by a pledge holder or mortgagee selling in the ordinary course of business at public or private sale of a security pledged with him in good faith as a security for a bona fide debt.

(7) The sale to any licensed broker or licensed dealer or to any bank or financial institution under the supervision of an instrumentality or officer of the United States or of the commissioner of banks or of the commissioner of insurance of this state.

(8) The exchange of securities by the issuer thereof with its own security holders without any other consideration from such security holders and where no commission or other remuneration is to be paid to any one for effecting such exchanges; provided that the offer of exchange is filed with the commission at least ten days prior to the making thereof with the fee of \$10 required by section 80.20, clause (6).

(9) The solicitation or execution of any orders by a licensed dealer or a licensed broker for the purchase of any

security ; provided, that such dealer or broker acts as agent for the purchaser and has no direct material interest in the sale or distribution of such security, receives no commission, profit, or other compensation from any source other than the purchaser and delivers to the purchaser written confirmation of the transaction which clearly itemizes his commission, or other compensation.

(10) The solicitation and sale by any corporation of its securities to its security holders where a pro rata offering is made only to its security holders pursuant to a specific plan adopted by the corporation, or where such offer is required pursuant to preemptive rights of such security holders either by operation of law in the state in which such corporation is organized or pursuant to the charter or articles of such corporation, provided that no commission is paid for the sale of such securities, and provided further that no such solicitations shall be made unless :

(a) Such issuer, prior to any such solicitation, shall file with the commission detailed information concerning such solicitation and sale and such further information, statements, copies of papers and instruments as the commission may require in order to determine whether or not the proposed sale of securities may be unfair, inequitable or fraudulent, or whether or not registration of such security under section 80.08 or 80.09 is necessary or appropriate in the public interest or for the protection of investors, and

(b) The commission shall have advised such issuer in writing that the proposed solicitation and sale constitute exempt transactions under this subsection.

(11) *The issue and delivery of any security of the same issuer pursuant to a right of conversion entitling the holder of the security surrendered in exchange to make such conversion; provided, that the security so surrendered has been registered under the law or was, when sold, exempt from the provisions of the law.*

The commissioner may, by written order or regulation, suspend or wholly revoke the exempt status of any sales or class exempted by this section or may require, prior to the making of any such sales or class of sales, such information with respect thereto or the security to be sold thereunder, or such reports after the making of such sale, as the commissioner may deem necessary to enable him to determine whether or not he should suspend or revoke the exempt status of such sales or class of sales.

Section 3. Minnesota Statutes 1949, Section 80.07, is amended to read as follows:

**80.07 Securities registered before sale.** No securities shall be sold within the state except in accordance with a registration thereof then in effect.

Registration may be secured by application as provided in section 80.08 or by notification as provided in section 80.09. Applications and notifications may be filed by the issuer, the owner, a licensed broker or a licensed dealer and may be for restricted registration or unlimited registration. A restricted registration is one which permits sales of a specified number only of units of a security by an issuer, owner, licensed broker or licensed dealer or any one or more thereof designated by the applicant. An unlimited registration is one which permits sales of *all outstanding or to be outstanding* units of a security by the issuer, owner, and all licensed brokers and licensed dealers. Any licensed broker or licensed dealer may sell, pursuant to an unlimited registration, additional units of a security issued through conversion of any security outstanding on the date of registration or as a stock dividend on shares of the issuer outstanding at said date or through split-up of the security registered, and may also sell additional units of the security otherwise issued after the date of registration if, after reasonable investigation, he had no reason to believe that such additional units were issued otherwise than as hereinabove in this proviso set forth. The sale price fixed in any registration shall be a maximum price unless otherwise expressly provided in the registration.

Section 4. Minnesota Statutes 1949, Section 80.20, is amended to read as follows:

**80.20 Fees.** The following fees shall be paid to the commission:

(1) On application for registration, \$1.00 per \$1,000 on the total proposed sale price of the securities covered by such application, *of which amount \$25 shall be considered a filing fee and the remainder a registration fee*; provided, that the minimum fee shall be \$25 and the maximum fee \$500. The *entire* fee charged any cooperative association organized in good faith under the laws of this state shall be \$5.00.

(2) On notification of intention to sell, 50 cents per \$1,000 on the total proposed sale price of the securities covered by such notification, *of which amount \$10 shall be considered a filing fee and the remainder a registration fee*; provided, that the minimum fee shall be \$10 and the maximum fee \$200 except that the maximum fee shall be \$100 on securities outstand-

ing for more than one year. The *entire* fee charged any cooperative association organized in good faith under the laws of this state shall not exceed \$5.00.

- (3) On application for brokers' licenses, \$50.
- (4) On application for agents' licenses, \$5.00.
- (5) On application for dealers' licenses, \$75.
- (6) On filing an offer under section 80.06, clause (8), \$10.
- (7) On application for an amendment to a registration increasing the maximum selling price thereunder, \$10, plus an additional fee calculated in accordance with subparagraph (1) or (2) of this section, as the case may be, less the amount of all fees theretofore paid pursuant to subparagraph (1) or (2) of this section in connection with the registration the amendment of which is requested; and on any other application for an amendment, \$10.
- (8) On annual reports of any investment company as now defined by Section 3 of the "Investment Company Act of 1940" (Title I of Public No. 768—76th Congress, 3rd Session), \$100.
- (9) On annual reports other than those covered by the preceding clause (8), \$10.
- (10) On applications for investment adviser's licenses, \$50.
- (11) For acceptance of service and mailing of process served upon the commissioner under any of the provisions of sections 80.05 to 80.27, \$2.00 for each person so served.
- (12) *The commission in the case of an application for registration, and the commissioner of securities in the case of notification of intention to sell, may order the return of registration fee provided for in subdivisions (1) and (2) when securities applications and notifications of intention to sell are permitted to be withdrawn. When such a withdrawal is made, the commissioner of securities shall certify to the state auditor the portion of the fee to be refunded to the applicant, and the auditor shall issue his warrant in payment thereof out of the fund to which such fee was credited in the manner provided by law. There is hereby appropriated to the persons entitled to such refunds from the fund in the state treasury to which such fees were credited an amount to make such refunds and payments.*



No application, notification, request for amendment of a registration, service of process, annual report, or filing of offer shall be deemed to be filed or given any effect until the proper fee is paid. All fees and charges collected by the commission shall be covered into the state treasury.

Section 5. Minnesota Statutes 1949, Section 80.23, is amended to read as follows:

**80.23 Information; inspection; publicity; reports.** All information received by the commissioner from applicants under sections 80.05 to 80.27 shall be open to inspection whenever it appears to the commissioner that this inspection may assist in carrying out or furthering the purposes of sections 80.05 to 80.27. The commissioner shall supply at cost copies of any such information. The commissioner shall have the power to withhold any information which he deems, in justice to the person filing the same, should not be made public.

The commissioner shall have power to publish, in pamphlet form, by newspaper advertisement, or otherwise, any information regarding securities which he considers fraudulent or which are being sold in violation of sections 80.05 to 80.27, or any other information he deems necessary or helpful in connection with the enforcement of sections 80.05 to 80.27.

It shall be the duty of the commissioner annually, on or before November first, to prepare and file in the office of the governor a report for the fiscal year ending June thirtieth preceding the report, which shall contain a *summary* of all applications received, *withdrawn*, granted, and denied; a *summary* of all registrations and licenses suspended, revoked, or canceled, a schedule of receipts and disbursements of the commissioner, and such other information as the commissioner considers material. Copies of the report shall be furnished to any one requesting them.

Approved February 25, 1953.

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#### CHAPTER 53—H. F. No. 437

*An act relating to the consolidation of villages; amending Minnesota Statutes 1949, Section 412.071, Subdivision 1.*

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

Section 1. Minnesota Statutes 1949, Section 412.071, Subdivision 1, is amended to read:

**412.071 Consolidation. Subdivision 1. Coincident**