

Subd. 4. The governing body of such municipality and such board of park commissioners and any other governmental agency concerned shall have power to exercise the right of eminent domain in the manner provided by Minnesota Statutes 1953, Chapter 117, for the purpose of acquiring any lands or interests in lands authorized to be acquired as aforesaid.

Subd. 5. In the event that the State of Minnesota shall own any lands or interest in lands included in the site of such existing armory and required for site of such new armory, such lands or interest therein shall be leased by the state to such corporation for a period of not exceeding 40 years without any consideration other than the use of such property by the state for armory or military purposes as herein provided and the provision hereof for the conveyance to the state of the new armory building and the site thereof. The adjutant general shall have power to execute such lease to such corporation in the name of the state; provided, that such corporation shall have no power to mortgage or encumber any lands or interest so leased to it by the state except to the extent of such leasehold interest and subject to the conditions and limitations herein prescribed.

Sub. 6. In case any land acquired for armory site purposes hereunder has been donated to such corporation by such municipality or by other governmental agency except the state, and in case such land or any part thereof shall thereafter not be used or shall cease to be used for armory purposes for a continuous period of more than ten years, not including the period of any war or other emergency in which the armed forces of the state may be engaged, the title to such unused land or part thereof shall thereupon pass, revert and be vested in such city or other governmental agency which donated the same, subject to any encumbrances that may have been lawfully placed thereon by such corporation or otherwise.

Sec. 5. Validation. The acts of any municipality which has heretofore acquired by purchase or otherwise a site for a new armory without express authority of law, are hereby legalized and validated.

Approved, February 15, 1955.

CHAPTER 19—S. F. No. 288

An act relating to the sale or offer for sale of securities, amending Minnesota Statutes 1953, Sections 80.01, 80.07, 80.12, 80.13 and 80.18.

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

Section 1. Minnesota Statutes 1953, Section 80.01, is amended to read as follows:

80.01 Definitions. Subdivision 1. **Terms.** Unless the language or context clearly indicates that a different meaning is intended, the terms defined in subdivisions 2 to 12, for the purposes of sections 80.05 to 80.27, shall be given the meanings subjoined to them.

Subd. 2. Person. "Person" means and includes a natural person, firm, co-partnership, association, syndicate, joint stock company, unincorporated company or organization or association, trust, trustee of a trust, or a corporation organized under the laws of any state or of the United States or of any territory or possession thereof or of the District of Columbia or of any foreign government. The term "trust," as herein used, shall not include a trust created or appointed under or by virtue of a last will and testament, or by a court of law or equity, or a public charitable trust.

Subd. 3. Sale, sell or sold. "Sale," "sell" or "sold" means and includes any disposition for value, an option of sale, a subscription, a pre-organization subscription or certificate, a re-organization subscription or certificate, an agreement to issue or transfer, an exchange, pledge, hypothecation or any transfer in trust or otherwise by way of mortgage. Any security given or delivered as a bonus with any sale of securities, as such sale is herein defined, or with any other thing, shall be conclusively presumed to constitute a part of the subject of such sale and to have been sold for value.

"Offer to sell" or "offer for sale" shall mean every attempt or offer to dispose of, or solicitation of, an order or offer to buy, a security or interest in a security for value.

The sale of a security under conditions which entitle the purchaser or subsequent holder to exchange the same for, or to purchase, some other security shall not be deemed a sale or offer for sale of such other security; but no exchange for or purchase of such other security shall ever be made unless and until the sale thereof shall have been first authorized in Minnesota by registration under sections 80.05 to 80.27, or by exemption therefrom, or by other provisions of law.

Subd. 4. Security. "Security" means and includes any any stock, share, bond, note, debenture, commercial paper, evidence of indebtedness, investment contract, interest in or under a profit-sharing or participating agreement or scheme,

or beneficial interest in a trust or pretended trust. Any interest in any security shall be deemed a security.

Subd. 5. Broker. "Broker" means and includes every person, who engages, or professes to engage, either for all or part of his time, directly or through an agent, in the business of accepting and executing buy and sell orders for securities of which he is not the issuer or owner.

Subd. 6. Issuer. "Issuer" means and includes every person who proposes to issue, has issued, or shall hereafter issue, any securities.

Subd. 7. Agent. "Agent" means and includes every person, other than a broker or dealer, employed, appointed, or authorized by an issuer, dealer, broker, or owner to sell securities. The term "agent" shall not include the partners of a partnership or officers of a corporation or an association licensed as a broker, or a dealer, or for whom securities are registered. The term "officers," as used in this subdivision, shall not include the directors of a corporation.

Subd. 8. Commission. "Commission" means the commission supervising and controlling the department of commerce of the State of Minnesota, under Laws 1925, Chapter 426, subject to all the provisions thereof relating to the powers and duties of the commissioner of securities as successor of the state securities commission. Wherever necessary to give effect to such provision, the term "commission" may be construed as meaning or including such commissioner of securities under Laws 1925, Chapter 426. The commission shall be known as the commerce commission.

Subd. 9. Commissioner. "Commissioner" means the commissioner of securities of the department of commerce.

Subd. 10. Investor. "Investor" means and includes any person to whom any security is sold or offered for sale or who purchases or acquires or attempts to purchase or acquire any such security.

Subd. 11. Dealer. "Dealer" means and includes every person who engages or professes to engage in selling directly or through an agent in the course of continued and successive sales any securities of which he is not the issuer for another, or who purchases and acquires for himself or another any securities of which he is not the issuer for the purpose of reselling the same to others, and of buying, selling, or otherwise dealing or trading in such securities for himself or for another.

Subd. 12. **Investment adviser.** "Investment adviser" means and includes any person other than a licensed broker or licensed dealer, who, for compensation, engages in the business of advising others, except persons to whom sales are exempted by section 80.06, clause (7), either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities. This term shall not be construed to include a bank, trust company, or licensed practicing attorney whose performance of such services is solely incidental to the practice of his profession, or such other persons, not within the intent of this subdivision, as the commission may designate by rules and regulations or order.

Subd. 13. **Application of definitions.** As used in sections 80.30 to 80.36, the words "persons," "sale," "sell," "sold," "offer to sell," "offer for sale," "broker," "agent," and any other word requiring a definition thereof, means the same as in sections 80.01 and 80.05 to 80.27, commonly known as the blue sky law.

Sec. 2. Minnesota Statutes 1953, Section 80.07, is amended to read as follows:

80.07 Securities, registration. *No securities, except those exempt under section 80.05 and those sold in sales exempt under section 80.06, shall be offered for sale or sold within the state unless such securities have been registered pursuant to section 80.08 or 80.09, except that it shall be permissible for licensed dealers, brokers and agents to offer for sale in Minnesota prior to registration securities for which a registration statement has been filed under the federal Securities Act of 1933.*

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 sale 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.

Sec. 3. Minnesota Statutes 1953, Section 80.12, is amended to read as follows:

80.12 Brokers, dealers; licenses. Subdivision 1. **Application.** No broker or dealer shall *offer for sale*, sell or profess the business of selling, any securities unless or until he shall have been licensed as a broker or dealer as hereinafter provided.

To secure a broker's or dealer's license application shall be made to the commission on forms prescribed by the commission, which application shall be signed and sworn to by the applicant and contain, in addition to other information which the commission may require, applicant's name and address; or addresses at which the business is to be conducted, the name and addresses of all officers of the applicant, if a corporation, and of all persons interested in the business, if a partnership or unincorporated association, and a statement of the business to be transacted. The commission shall have power, in connection with applications for brokers' or dealers' licenses, to require applicant to furnish in such form as it shall designate any additional information deemed necessary to enable it to properly pass on the application before it; to order an appraisal, audit, or such other expert or technical examination and report as may seem necessary; and to make an investigation of the books, records, property, business, and affairs of the applicant.

Upon compliance by an applicant for a broker's or dealer's license with the provisions of sections 80.05 to 80.27 and the requirements of the commission, the commission shall either issue a license as prayed, or deny the application. The commission shall have power to deny if the applicant has not sufficient financial responsibility to carry out the obligations incidental to the business of a broker or dealer, is of bad business repute, has violated any of the provisions of sections 80.05 to 80.27, or any registration, license, or lawful order of the commission, or has engaged in, or is about to engage in, any fraudulent transactions, or if it appears to the commission that the sale of securities by the applicant would work a fraud

on purchasers thereof, or for good cause to the commission appearing. Denial shall be by written order.

Brokers' or dealers' licenses shall be good for one year from date of issuance, unless sooner suspended, canceled, or revoked, as hereinafter provided, and shall authorize the licensee therein named to transact business as a broker or dealer subject to the provisions of sections 80.05 to 80.27.

Subd. 2. Revocation, cancellation. The commission shall have power, in connection with any broker's or dealer's license which is not revoked or canceled, to require the licensee 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, whether such licensee is solvent, whether such licensee has violated, or is about to violate, any of the provisions of sections 80.05 to 80.27 or any registration, license or lawful order of the commission, has sold, or is about to sell, any fraudulent securities, has engaged in, or is about to engage in, any fraudulent transaction, or whether the sale of securities by such licensee will work a fraud on purchasers.

In such case the commission shall also have power to make an examination and investigation of the books, records, papers, accounts, property, business and affairs of such licensee, and to make, or cause to be made on its behalf, an audit of the accounts, books, and records of such licensee, and by its order to require such licensee to permit such examination, investigation, and audit to be made, and to require such licensee to submit to the commission his books, papers, records and accounts for the purpose of such examination, investigation, and audit. When the commission is in possession of information indicating that the licensee is not solvent, is of bad business repute, has violated, or is about to violate, any of the provisions of sections 80.05 to 80.27, or any registration, license or lawful order of the commission, has engaged in, 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 appearing 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 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 transact any business as a broker or dealer. After the hearing the commission shall enter its order vacating such order to show cause and suspension, or permanently revoking the li-

cense, or making such other disposition of the matter as the facts require.

A broker's or dealer's license may be canceled by the commission at any time at the request of the licensee.

Sec. 4. Minnesota Statutes 1953, Section 80.13, is amended to read as follow:

80.13 Agents, licenses. No agent shall *offer for sale* or 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 80.05, or *selling securities in a manner exempted under* section 80.06. No agent, except one appointed or employed by a licensed broker or licensed dealer, shall be issued a license under sections 80.05 to 80.27 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 licensed 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 issuer, owner, or licensed dealer may file a blanket surety 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 or the deposit of securities as aforesaid, shall operate in lieu of a bond as otherwise required for the individual agents. The commissioner of securities shall have power to require an additional or new bond to be filed 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 that issuer, owner, or licensed dealer, 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 or owners for whom securities are registered or to agents of licensed brokers or licensed dealers.

To secure such a license application shall be made to the commission on forms prescribed by the commissioner, which application shall be signed and sworn to by the person desiring such license, contain the applicant's address, and such other information as the commissioner may require, and be accompanied by a statement signed by the issuer, owner, licensed broker or licensed dealer for whom such applicant is agent stating that such issuer, owner, licensed broker, or licensed dealer has appointed the person therein named as his agent.

The commission or commissioner shall have power to require the applicant, or his principal, to furnish such additional information regarding the agent as may seem necessary. The 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 sections 80.05 to 80.27, or any registration, license, or lawful order of the commission, or has engaged in any fraudulent transaction, 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 canceled, suspended, or revoked, and authorize the licensee therein named to do anything his principal is authorized to do.

The commission shall have power, in connection with an agent's license outstanding, to require the agent, or the issuer, owner, licensed broker, or licensed 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. When the commission or commissioner 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 sections 80.05 to 80.27 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 appearing 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, owner, licensed broker, or licensed 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 sections 80.05 to 80.27 by both the issuer, owner, licensed broker, or licensed dealer and the agent.

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

Section 5. Minnesota Statutes 1953, Section 80.18, is

80.18 Advertising, regulations. 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, printed matter, document, pamphlet, advertisement through any medium, or other matter, pertaining to any securities which have not been registered as herein provided; *but this provision shall not apply to securities for which a registration statement has been filed under the federal Securities Act of 1933.*

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 *required to be* registered in compliance with the provisions of sections 80.08 and 80.09, shall be published, circulated, distributed, or cause 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 sections 80.05 to 80.27.

All such advertising matter shall carry the name and address of the issuer, broker, or dealer, circulating, publishing or distributing same and 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 80.05, nor to sales of securities made in a manner exempted under section 80.06.

Approved February 15, 1955.

CHAPTER 20—S. F. No. 353

An act relating to village elections and permitting the consolidation of election districts for such elections; amending Minnesota Statutes 1953, Section 205.25.

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

Section 1. Minnesota Statutes 1953, Section 205.25, is amended to read: