

is based upon a tax certificate, tax or assessment deed, the petition or application shall be filed with the clerk of the court, who shall docket the same in the land registration docket, and a copy thereof, certified by the clerk, shall, by the petitioner, be filed with the registrar who shall enter upon the register a memorial thereof, which shall have the force and effect of a *lis pendens*. Such an application of the petitioner shall be referred to the examiner of titles for examination and report in like manner as herein provided for the reference of initial applications for registration. The summons shall be issued in the form and served in the manner as in initial applications. Such an application shall be heard by the court and the applicant shall be required to show affirmatively that all the requirements of the statute to entitle him to register his title have been complied with. The decree shall show the condition of the title to such land and who is the owner thereof. It shall provide, if the applicant is found to be the owner, for the cancellation of the outstanding certificate and the registrar shall issue a new certificate for the land in lieu and in place of the outstanding certificate upon presentation to him of a duly certified copy of such decree, according to its terms. If the applicant is not adjudged to be the owner then the decree shall provide for the cancellation of the memorial of the registration of the certified copy of the application.

Approved March 19, 1957.

CHAPTER 169—S. F. No. 147

[Coded]

An act relating to gifts of securities and money to minors and to make uniform the law with reference thereto.

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

Section 1. [527.01] **Definitions.** In this act, unless the context otherwise requires:

(a) An "adult" is a person who has attained the age of twenty-one years.

(b) A "bank" is a bank, trust company, national banking association, or savings bank.

(c) A "broker" is a person lawfully engaged in the business of effecting transactions in securities for the account of others. The term includes a bank which effects such transactions. The term also includes a person lawfully engaged in

buying and selling securities for his own account, through a broker or otherwise, as a part of a regular business.

(d) "Court" means the Probate Court.

(e) "The custodial property" includes:

(1) all securities and money under the supervision of the same custodian for the same minor as a consequence of a gift or gifts made to the minor in a manner prescribed in this act;

(2) the income from the custodial property; and

(3) the proceeds, immediate and remote, from the sale, exchange, conversion, investment, reinvestment or other disposition of such securities, money and income.

(f) A "custodian" is a person so designated in a manner prescribed in this act.

(g) A "guardian" of a minor includes the general guardian, guardian, tutor or curator of his property, estate or person.

(h) An "issuer" is a person who places or authorizes the placing of his name on a security (other than as a transfer agent) to evidence that it represents a share, participation or other interest in his property or in an enterprise or to evidence his duty or undertaking to perform an obligation evidenced by the security, or who becomes responsible for or in place of any such person.

(i) A "legal representative" of a person is his executor or the administrator, general guardian, guardian, committee, conservator, tutor or curator of his property or estate.

(j) A "member" of a "minor's family" means any of the minor's parents, grandparents, brothers, sisters, uncles and aunts, whether of the whole blood or the half blood, or by or through legal adoption.

(k) A "minor" is a person who has not attained the age of twenty-one years.

(l) A "security" includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, collateral trust certificate, transferable share, voting trust certificate or, in general, any interest or instrument commonly known as a security, or any certificate of interest or participation in, any temporary or interim certificate, receipt or certificate of de-

posit for, or any warrant or right to subscribe to or purchase, any of the foregoing. The term does not include a security of which the donor is the issuer. A security is in "registered form" when it specifies a person entitled to it or to the rights it evidences and its transfer may be registered upon books maintained for that purpose by or on behalf of the issuer.

(m) A "transfer agent" is a person who acts as authenticating trustee, transfer agent, registrar or other agent for an issuer in the registration of transfers of its securities or in the issue of new securities or in the cancellation of surrendered securities.

(n) A "trust company" is a bank authorized to exercise trust powers.

Sec. 2. [527.02] Gifts to minor.

(a) An adult person may, during his lifetime, make a gift of a security or money to a person who is a minor on the date of the gift:

(1) if the subject of the gift is a security in registered form, by registering it in the name of the donor, an adult member of the minor's family, a guardian of the minor, or a trust company, followed, in substance, by the words: "as custodian for under the Minnesota

(name of minor)

Uniform Gifts to Minors Act";

(2) if the subject of the gift is a security not in registered form, by delivering it to an adult member, other than the donor, of the minor's family, a guardian of the minor, or a trust company, accompanied by a statement of gift in the following form, in substance, signed by the donor and the person designated as custodian:

"GIFT UNDER THE MINNESOTA UNIFORM GIFTS TO MINORS ACT

I,, hereby deliver to.....
 (name of donor) (name of

..... as custodian for
 custodian) (name of minor)

under the Minnesota Uniform Gifts to Minors Act, the following security(ies):

(insert an appropriate description of the security or securities delivered sufficient to identify it or them)

.....
(signature of donor)

..... hereby acknowledges re-
(name of custodian)
ceipt of the above described security(ies) as cus-
todian for the above minor under the Minnesota
Uniform Gifts to Minors Act.

Dated:.....”
(signature of custodian)

(3) If the subject of the gift is money, by pay-
ing or delivering it to a broker or a bank for
credit to an account in the name of the donor, an
adult member of the minor’s family, a guardian
of the minor, or a bank with trust powers, fol-
lowed, in substance, by the words: “as custodian
for under the Minnesota
(name of minor)
Uniform Gifts to Minors Act.”

(b) Any gift made in a manner prescribed in Subsec-
tion (a) may be made to only one minor and only one person
may be the custodian.

(c) A donor who makes a gift to a minor in a manner
prescribed in Subsection (a) shall promptly do all things
within his power to put the subject of the gift in the posses-
sion and control of the custodian, but neither the donor’s fail-
ure to comply with this Subsection, nor his designation of an
ineligible person as custodian, nor renunciation by the person
designated as custodian affects the consummation of the gift.

Sec. 3. [527.03] Gifts are irrevocable.

(a) A gift made in a manner prescribed in this act is
irrevocable and conveys to the minor indefeasibly vested legal
title to the security or money given, but no guardian of the
minor has any right, power, duty or authority with respect
to the custodial property except as provided in this act.

(b) By making a gift in a manner prescribed in this
act, the donor incorporates in his gift all the provisions of this
act and grants to the custodian, and to any issuer, transfer
agent, bank, broker or third person dealing with a person

designated as custodian, the respective powers, rights and immunities provided in this act.

Sec. 4. [527.04] Custodian, duties.

(a) The custodian shall collect, hold, manage, invest and reinvest the custodial property.

(b) The custodian shall pay over to the minor for expenditure by him, or expend for the minor's benefit, so much of or all the custodial property as the custodian deems advisable for the support, maintenance, education and benefit of the minor in the manner, at the time or times, and to the extent that the custodian in his discretion deems suitable and proper, with or without court order, with or without regard to the duty of himself or of any other person to support the minor or his ability to do so, and with or without regard to any other income or property of the minor which may be applicable or available for any such purpose.

(c) The court, on the petition of a parent or guardian of the minor or of the minor, if he has attained the age of fourteen years, may order the custodian to pay over to the minor for expenditure by him or to expend so much or all the custodial property as is necessary for the minor's support, maintenance or education.

(d) To the extent that the custodial property is not so expended, the custodian shall deliver or pay it over to the minor on his attaining the age of twenty-one years or, if the minor dies before attaining the age of twenty-one years, he shall thereupon deliver or pay it over to the estate of the minor.

(e) The custodian, notwithstanding statutes restricting investments by fiduciaries, shall invest and reinvest the custodial property as would a prudent man of discretion and intelligence who is seeking a reasonable income and the preservation of his capital, except that he may, in his discretion and without liability to the minor or his estate, retain a security given to the minor in a manner prescribed in this act.

(f) The custodian may sell, exchange, convert or otherwise dispose of custodial property in the manner, at the time or times, for the price or prices and upon the terms he deems advisable. He may vote in person or by general or limited proxy a security which is custodial property. He may consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution or liquidation of an issuer, a security which is custodial property, and to the sale, lease, pledge or mortgage of any property by or

to such an issuer, and to any other action by such an issuer. He may execute and deliver any and all instruments in writing which he deems advisable to carry out any of his powers as custodian.

(g) The custodian shall register each security which is custodial property and in registered form in the name of the custodian, followed, in substance by the words: "as custodian for under the Minnesota Uniform

(name of minor)

Gifts to Minors Act." The custodian shall hold all money which is custodial property in an account with a broker or in a bank in the name of the custodian, followed, in substance, by the words: "as custodian for under the

(name of minor)

Minnesota Uniform Gifts to Minors Act." The custodian shall keep all other custodial property separate and distinct from his own property in a manner to identify it clearly as custodial property.

(h) The custodian shall keep records of all transactions with respect to the custodial property and make them available for inspection at reasonable intervals by a parent or legal representative of the minor or by the minor, if he has attained the age of fourteen years.

(i) A custodian has and holds as powers in trust, with respect to the custodial property, in addition to the rights and powers provided in this act, all the rights and powers which a guardian has with respect to property not held as custodial property.

Sec. 5. [527.05] Reimbursement of custodian for expenses.

(a) A custodian is entitled to reimbursement from the custodial property for his reasonable expenses incurred in the performance of his duties.

(b) A custodian may act without compensation for his services.

(c) Unless he is a donor, a custodian may receive from the custodial property reasonable compensation for his services determined by one of the following standards in the order stated:

(1) A direction by the donor when the gift is made;

(2) A statute of this state applicable to custodians;

(3) The statute of this state applicable to guardians;

(4) An order of the court.

(d) Except as otherwise provided in this act, a custodian shall not be required to give a bond for the performance of his duties.

(e) A custodian not compensated for his services is not liable for losses to the custodial property unless they result from his bad faith, intentional wrongdoing or gross negligence or from his failure to maintain the standard of prudence in investing the custodial property provided in this act.

Sec. 6. [527.06] Persons dealing with donors or custodians, requirements. No issuer, transfer agent, bank, broker or other person acting on the instructions of or otherwise dealing with any person purporting to act as a donor or in the capacity of a custodian is responsible for determining whether the person designated by the purported donor or purporting to act as a custodian has been duly designated or whether any purchase, sale or transfer to or by any other act of any person purporting to act in the capacity of custodian is in accordance with or authorized by this act, or is obliged to inquire into the validity or propriety under this act of any instrument or instructions executed or given by a person purporting to act as a donor or in the capacity of a custodian, or is bound to see to the application by any person purporting to act in the capacity of a custodian of any money or other property paid or delivered to him.

Sec. 7. [527.07] Successor custodians.

(a) Only an adult member of the minor's family, a guardian of the minor or a trust company is eligible to become successor custodian. A successor custodian has all the rights, powers, duties and immunities of a custodian designated in a manner prescribed by this act.

(b) A custodian, other than the donor, may resign and designate his successor by:

(1) executing an instrument of resignation designating the successor custodian; and

(2) causing each security which is custodial property and in registered form to be registered in the name of the successor custodian followed, in substance, by the word: "as custodian for

.....under the Minnesota Uniform
(name of minor)
Gifts to Minors Act"; and

(3) delivering to the successor custodian the instrument of resignation, each security registered in the name of the successor custodian and all other custodial property, together with any additional instruments required for the transfer thereof.

(c) A custodian, whether or not a donor, may petition the court for permission to resign and for the designation of a successor custodian.

(d) If the person designated as custodian is not eligible, renounces or dies before the minor attains the age of twenty-one years, the guardian of the minor shall be successor custodian. If the minor has no guardian, a donor, his legal representative, the legal representative of the custodian, an adult member of the minor's family, or the minor, if he has attained the age of fourteen years, may petition the court for the designation of a successor custodian.

(e) A donor, the legal representative of a donor, an adult member of the minor's family, a guardian of the minor or the minor, if he has attained the age of fourteen years, may petition the court that, for cause shown in the petition, the custodian be removed and a successor custodian be designated or, in the alternative, that the custodian be required to give bond for the performance of his duties.

(f) Upon the filing of a petition as provided in this Section, the court shall grant an order, directed to the persons and returnable on such notice as the court may require, to show cause why the relief prayed for in the petition should not be granted and, in due course, grant such relief as the court finds to be in the best interests of the minor.

Sec. 8. [527.08] Minor, petition for accounting by custodian.

(a) The minor, if he has attained the age of fourteen years, or the legal representative of the minor, an adult member of the minor's family, or a donor or his legal representative may petition the court for an accounting by the custodian or his legal representative.

(b) The court, in a proceeding under this act or otherwise, may require or permit the custodian or his legal representative to account and, if the custodian is removed, shall

so require and order delivery of all custodial property to the successor custodian and the execution of all instruments required for the transfer thereof.

Sec. 9. [527.09] Uniform Act.

(a) This act shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it.

(b) This act shall not be construed as providing an exclusive method for making gifts to minors.

Sec. 10. [527.10] Citation. This act may be cited as the "Minnesota Uniform Gifts to Minors Act".

Sec. 11. [527.11] Severability. If any provisions of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Approved March 19, 1957.

CHAPTER 170—S. F. No. 656

[Not Coded]

An act authorizing the conveyance of certain real estate owned by the state of Minnesota to the city of Hastings.

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

Section 1. **Hastings, authorizing conveyance of certain state-owned land.** Notwithstanding any law to the contrary, the governor is hereby authorized and directed to transfer and convey by quit claim deed in such form as the attorney general may approve, in the name of and in behalf of the state of Minnesota, to the city of Hastings in the county of Dakota, for public purposes, the following described property located in Dakota County, Minnesota to wit:

"All that part of the Southwest Quarter (SW $\frac{1}{4}$) of Section Thirty four (34), Township One Hundred Fifteen (115), Range Seventeen (17), described as follows:

Commencing at the intersection of the Southeasterly line of Lot Twenty Three (23) in Block One (1) of the Town of Vermillion with the Easterly line