

Sec. 8. **Repealer.** Laws 1967, Chapter 413, is repealed.
Approved May 28, 1969.

CHAPTER 848—S. F. No. 903

[Coded in Part]

An act relating to securities; amending Minnesota Statutes 1967, Sections 80.05, Subdivision 5 and by adding subdivisions; 80.06, Subdivisions 2 and 15; 80.07; 80.09, Subdivision 1; 80.10; 80.20; and 80.26.

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

Section 1. Minnesota Statutes 1967, Section 80.05, Subdivision 5, is amended to read:

Subd. 5. **Securities; regulation.** Securities listed on the New York Stock Exchange, American Stock Exchange, Pacific Coast 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 ~~or approved~~, subscription rights ~~and warrants~~ so listed ~~or approved~~ and securities called for by such rights ~~or warrants~~, or evidences of indebtedness guaranteed by companies any stock of which is so listed ~~or approved~~, such securities to be exempt only so long as such listing ~~or approval~~ shall remain in effect.

Sec. 2. Minnesota Statutes 1967, Section 80.05, is amended by adding a subdivision to read:

Subd. 15. *Any interest in a commingled investment fund maintained by a state bank or trust company organized and operating under the laws of Minnesota or a national bank wherever located for the investment of funds of which the bank or trust company is a fiduciary.*

Sec. 3. Minnesota Statutes 1967, Section 80.05, is amended by adding a subdivision to read:

Subd. 16. *Any interest in any employee's saving, pension, profit-sharing or similar benefit plan, or a self-employed person's retirement plan.*

Sec. 4. Minnesota Statutes 1967, Section 80.06, Subdivision 2, is amended to read:

Changes or additions indicated by italics, deletions by ~~strikeout~~.

Subd. 2. (a) 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.

(b) *Any sales in this state by an issuer to not more than 10 persons (other than those designated in subdivision 8 of this section) during any period of 12 consecutive months, whether or not the seller or any of the buyers is then present in this state, if (1) the seller reasonably believes that all the buyers in this state are purchasing for investment, and (2) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state, and (3) the issuer shall have furnished to the commission, not less than ten days prior to the consummation of any such sale, a statement of the issuer setting forth its name, address, business, the number of securities to be sold under this paragraph, the price at which the securities are to be sold, and such other information as the commission may require; but the commission may by rule or order, as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase or decrease the number of buyers permitted, or waive the conditions of clauses (1), (2), with or without the substitution of a limitation on remuneration, and (3).*

(c) *The sale in this state by a licensed broker-dealer, acting either as principal or agent, of the securities of a single issuer; provided (1) that the persons to whom the sales are made by such broker-dealer during any period of 12 consecutive months, whether or not the seller or any of the buyers are then present in this state, do not exceed five in number, other than those designated in subdivision 8 of this section; and (2) that the securities sold meet the requirements of clauses (a), (c), and (e) of subdivision 14 of this section; but the commission may by rule or order, as to any security or transaction, or any type of security or transaction, withdraw or further condition this exemption, or increase or decrease the number of buyers permitted.*

(d) ~~This exception~~ *The exceptions contained in this subdivision shall not be deemed to exempt a broker-dealer or a broker-dealer's agent from 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*

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the same upon ~~the~~ demurrer or motion for dismissal before trial if it alleges that such *a* sale was made in the course of repeated and successive sales of the same issue *or that the sales were made to more than the number of purchasers permitted by clause (b) or (c) and did not meet the other conditions of such clauses.*

Sec. 5. Minnesota Statutes 1967, Section 80.06, Subdivision 15, is amended to read:

Subd. 15. The issuance and delivery of any securities of one corporation to ~~the security holders of~~ another corporation *or its security holders* in exchange for *the acquisition by the issuer or a subsidiary of the issuer of* all or substantially all of the assets of such other corporation, or in connection with a consolidation or merger of such corporation, provided, that the commissioner of securities has been furnished with a general description of the transaction and with such other information as he may prescribe by rules and regulations.

Sec. 6. Minnesota Statutes 1967, Section 80.07, is amended to read:

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 sections 80.08 or 80.09, except that it shall be permissible for licensed broker-dealers 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, *or* a licensed broker-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-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 all licensed broker-dealers for secondary trading only. Any licensed broker-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~~

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~~to believe that such additional units were issued otherwise than as hereinabove in this provide set forth.~~

The commission may provide in the order of registration that the registration permits sales of a specified number only of units of a security and that there may be no secondary market trading in such securities until further order of the commission.

Unless otherwise provided in the order of registration, the registration shall, upon payment of the maximum fee provided by section 80.20, permit sales of all outstanding or to be outstanding units of a security by all licensed broker-dealers, and any licensed broker-dealer may sell additional units of a security so registered if he had no reason to believe that such additional units were issued in violation of section 80.07.

The sale price fixed in any registration shall be a maximum price unless otherwise expressly provided in the registration.

Sec. 7. Minnesota Statutes 1967, Section 80.09, Subdivision 1, is amended to read:

80.09 Registration by notification. Subdivision 1. **Notification of intention.** When any securities required to be registered by the provisions of sections 80.05 to 80.27 are within the following subdivisions of this section, any person entitled to make application for the registration thereof may, in lieu of such application, file with the commission a notification of intention to sell such securities, which notification shall be on forms prescribed by the commission and shall contain the following information:

- (1) Name of issuer;
- (2) Authorized amount of the issue, the amount issued and outstanding and; ~~if restricted,~~ the amount covered by the notification;
- (3) Statement that the securities covered by the notification are within a designated clause of this section;
- (4) A descriptive circular or statement briefly describing the securities;
- (5) The price at which the securities are to be sold; and
- (6) ~~If the sale is restricted,~~ The names of the designated licensed broker-dealers, if any.

Sec. 8. Minnesota Statutes 1967, Section 80.10, is amended to read:

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80.10 Terminations; amendments. A registration shall remain in effect until suspended, revoked, or canceled ~~except that a restricted registration shall terminate upon the sale of the number of units therein designated, at which time the registrant shall notify the commission of that fact and request cancellation of the registration.~~ *A registration of a specified number only of units of a security shall terminate upon the sale of the number of units therein designated. Upon completion of the sale of such units the registrant shall notify the commission of that fact.* Anyone who may apply for registration of a security may apply to the commission in writing for an amendment to any existing registration.

Sec. 9. Minnesota Statutes 1967, Section 80.20, is amended to read:

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

(1) On application for registration, an examination fee of \$10, and a fee of \$1 per \$1,000 on the total proposed sale price of the securities covered by such application, of which last stated amount \$25 shall be considered a filing fee and the remainder a registration fee; provided, that the minimum fee shall be \$35 and the maximum fee \$500, which maximum fee shall include the \$10 examination fee. ~~An unlimited registration shall require the maximum fee.~~ *There shall be no secondary market trading in a security registered upon application except upon payment of the maximum fee.*

(2) On notification of intention to sell, an examination fee of \$5, and a fee of 50 cents per \$1,000 on the total proposed sale price of the securities covered by such notification, of which last stated amount \$10 shall be considered a filing fee and the remainder a registration fee; provided, that the minimum fee shall be \$15 and the maximum fee \$200 except that the maximum fee shall be \$100 on securities outstanding for more than one year, which maximum fees shall include the \$5 examination fee. ~~An unlimited notification shall require the maximum fee.~~ *There shall be no secondary market trading in a security registered upon notification except upon payment of the maximum fee.*

(3) On application for agents' licenses, \$7.50.

(4) On application for broker-dealers' licenses, \$100.

(5) On filing an offer under section 80.06, subdivision 9, \$10.

(6) On application for an amendment to a registration in-

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creasing the maximum selling price thereunder, \$10, plus an additional fee calculated in accordance with clause (1) or (2) of this section, as the case may be, less the amount of all fees theretofore paid pursuant to clause (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.

(7) On annual reports of any investment company as now defined by section 3 of the "Investment Company Act of 1940" (Title I of Public Law No. 768 — 76th Congress, 3rd Session), \$100.

(8) On annual reports other than those covered by the preceding clause (7), \$10.

(9) On applications for investment advisor's licenses, \$75.

(10) 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 for each person so served.

(11) The commission in the case of an application for registration, and the commissioner of securities in the case of notification of intention to sell, at any time prior to the registration of securities, may order the return of registration fees provided for in clauses (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.

Sec. 10. Minnesota Statutes 1967, Section 80.26, is amended to read:

80.26 Limitations of actions; exceptions. No action shall be maintained for relief upon a sale of securities made in violation of any of the provisions of sections 80.05 to 80.27, or upon a sale of securities made in violation of any of the provisions of a registration thereunder, or for failure to disclose that the sale thereof was made in

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violation of any of these provisions or in violation of any of the provisions of a registration thereunder, or upon any representation with respect to the registration or non-registration of the security claimed to be implied from any such sale, unless commenced within ~~six~~ *three* years after the date on which the securities were delivered to the purchaser pursuant to such sale; provided, that ~~if, prior to the effective date of this section, more than five years shall have elapsed from the date of such delivery, then such action may be brought within a period of one year following such effective date, an action with respect to a sale made prior to the effective date of this act may be commenced within six years after the date on which the securities were delivered to the purchaser pursuant to such sale,~~ and provided, that no purchaser of a security otherwise entitled thereto shall bring any action for relief of the character above set forth who shall have refused or failed, within 30 days after the receipt thereof by such purchaser, to accept a written offer from the seller or from any person who participated in such sale to take back the securities in question and to refund the full amount paid therefor by such purchaser, together with interest on such amount from the date of payment to the date of repayment, such interest to be computed at the same rate as the fixed interest or dividend rate, if any, provided for in such securities, or, if no rate is so provided, at the rate of six percent per annum, less in every case the amount of any income received by the purchaser on such securities. Any written offer so made to a purchaser of a security shall be of no force or effect unless a duplicate thereof shall be filed with the commissioner of securities prior to the delivery thereof to such purchaser.

Nothing in this section, except as herein expressly set forth, shall limit any other right of any person to bring any action in any court for any act involved in or right arising out of a sale of securities or the right of the state to punish any person for any violation of law.

Approved May 28, 1969.

CHAPTER 849—S. F. No. 916

[Not Coded]

An act relating to the firemen's relief association in the city of South Saint Paul; amending Laws 1965, Chapter 457, Section 1.

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

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