WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1945

ENROLLED

SENATE BILL No. 222

(By Mr. Morrison, By Request)

PASSED March 10, 1945

In Effect 90-days from Passage

JARRETT PRINTING COMPANY, CHARLESTON, W. VA.
ENROLLED
Senate Bill No. 222
(BY MR. MORRISON, BY REQUEST)

[Passed March 10, 1945; in effect ninety days from passage.]

AN ACT to amend and reenact section three, article one, chapter thirty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to securities not included under the act regulating and supervising the sale of securities, one thousand nine hundred thirty-five.

Be it enacted by the Legislature of West Virginia:

That section three, article one, chapter thirty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, to read as follows:

Section 3. Securities Not Included. Except as herein-
after expressly provided, the provisions of this chapter shall not apply to any of the following classes of securities:

(a) Any security issued or guaranteed by the United States or any territory or insular possession thereof, or by the District of Columbia, or by any state or political subdivision or agency thereof;

(b) Any security issued by a national bank or by any federal land bank or by a corporation created or acting as an instrumentality of the government of the United States pursuant to authority granted by the congress of the United States, or any security issued by provisions of the federal laws: Provided, That such corporation is subject to supervision or regulation by the government of the United States;

(c) Any security issued or guaranteed either as to principal, interest or dividend by a corporation owning or operating a railroad engaged in interstate commerce and under supervision of the interstate commerce commission;

(d) Any security issued by a person organized and
operated exclusively for educational, benevolent, frater-
ternal, charitable or reformatory purposes and not for
pecuniary profit, and no part of the net earnings of which
inures to the benefit of any person, private stockholder or
individual;

(e) Any security which has been regularly and continu-
ously listed on the New York stock exchange, the New
York curb exchange or the Chicago stock exchange for a
period of not less than two years: Provided, That the
commissioner shall have power and authority at any time
to withdraw such exemption for any security or group of
securities so listed, pending an investigation and hearing
on securities included in such order. A date for hearing
shall be set by the commissioner not more than twenty-
days after such withdrawal order. The commissioner, by
ruling, may grant this same exemption to securities listed
on any other exchange following an application from such
exchange and after an investigation and examination has
been made by him. The expense of all hearings, investi-
gations and examinations shall be paid by the exchange
making application or receiving a hearing;
(f) Any security issued by a state bank, trust company, building and loan association or savings institution, incorporated under the laws of and subject to the examination, supervision and control of any state or territory of the United States or any insular possession thereof;

(g) Any insurance or endowment policy or annuity contract or optional annuity contract, issued by a person licensed and supervised by the insurance commissioner of this state;

(h) Any security other than common stock outstanding and in the hands of the public for a period of not less than three years upon which no default in payment of principal, interest or dividend exists and upon which no such default has occurred for a continuous immediately preceding period of three years: Provided, That the issuer of such securities has continued such payments of principal, interest or dividends as provided at the time of original issue: Provided further, That no plan or proposal of recapitalization, reorganization, rearrangement of capitalization, or other form of readjustment of issuer's finances, has been made or a petition of voluntary or
involuntary bankruptcy has been filed in any court by
or for such issuer within the preceding period of three
years;

(i) Any securities bought or sold upon customers'
orders: Provided, That such securities are bought or sold
on an exchange which, at the time of such transaction, is
registered as a national exchange by the securities and
exchange commission: Provided further, That no solici-
tation is made of the orders so executed;

(j) Any note, draft, bill of exchange or bankers accept-
tance which arises out of a current transaction or the pro-
ceeds of which have been or are to be used for a current
transaction, is not the subject of a public offering, has at
the time of issuance a definite maturity (after all days of
grace, if any) of not exceeding one year, is payable in
cash only, and is not convertible into and does not carry
an option or right to receive payment or any bonus in
any other security.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Charles C Morris  
Chairman Senate Committee

Chairman House Committee

Originated in the Senate

Takes effect 90-days from passage

Clerk of the Senate

Clerk of the House of Delegates

Arnold W. Tucker  
President of the Senate

John E. Armou  
Speaker House of Delegates

The within approved this the 16 day of March, 1945.

Governor

Filed in the office of the Secretary of State of West Virginia  
MARCH 16, 1945

Wm. S. O'Brien,  
Secretary of State