

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



222

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(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-

2 after expressly provided, the provisions of this chapter
3 shall not apply to any of the following classes of securi-
4 ties:

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

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

17 (c) Any security issued or guaranteed either as to
18 principal, interest or dividend by a corporation owning
19 or operating a railroad engaged in interstate commerce
20 and under supervision of the interstate commerce com-
21 mission;

22 (d) Any security issued by a person organized and

23 operated exclusively for educational, benevolent, fra-
24 ternal, charitable or reformatory purposes and not for
25 pecuniary profit, and no part of the net earnings of which
26 inures to the benefit of any person, private stockholder or
27 individual;

28 (e) Any security which has been regularly and continu-
29 ously listed on the New York stock exchange, the New
30 York curb exchange or the Chicago stock exchange for a
31 period of not less than two years: *Provided*, That the
32 commissioner shall have power and authority at any time
33 to withdraw such exemption for any security or group of
34 securities so listed, pending an investigation and hearing
35 on securities included in such order. A date for hearing
36 shall be set by the commissioner not more than twenty-
37 days after such withdrawal order. The commissioner, by
38 ruling, may grant this same exemption to securities listed
39 on any other exchange following an application from such
40 exchange and after an investigation and examination has
41 been made by him. The expense of all hearings, investi-
42 gations and examinations shall be paid by the exchange
43 making application or receiving a hearing;

44 (f) Any security issued by a state bank, trust company,
45 building and loan association or savings institution, in-
46 corporated under the laws of and subject to the exami-
47 nation, supervision and control of any state or territory
48 of the United States or any insular possession thereof;

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

53 (h) Any security other than common stock outstanding
54 and in the hands of the public for a period of not less than
55 three years upon which no default in payment of princi-
56 pal, interest or dividend exists and upon which no such
57 default has occurred for a continuous immediately pre-
58 ceding period of three years: *Provided*, That the issuer
59 of such securities has continued such payments of princi-
60 pal, interest or dividends as provided at the time of
61 original issue: *Provided further*, That no plan or pro-
62 posal of recapitalization, reorganization, rearrangement of
63 capitalization, or other form of readjustment of issuer's
64 finances, has been made or a petition of voluntary or

65 involuntary bankruptcy has been filed in any court by
66 or for such issuer within the preceding period of three
67 years;

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

74 (j) Any note, draft, bill of exchange or bankers accept-
75 tance which arises out of a current transaction or the pro-
76 ceeds of which have been or are to be used for a current
77 transaction, is not the subject of a public offering, has at
78 the time of issuance a definite maturity (after all days of
79 grace, if any) of not exceeding one year, is payable in
80 cash only, and is not convertible into and does not carry
81 an option or right to receive payment or any bonus in
82 any other security.

The Joint Committee on Enrolled Bills hereby certifies that
the foregoing bill is correctly enrolled.

Charles C Morris

Chairman Senate Committee

J. A. McGrawley Jr.
Chairman House Committee

Originated in the Senate

Takes effect 90-days from passage

Horatio M. Hays

Clerk of the Senate

Edith
Clerk of the House of Delegates

Orval H. Tucker

President of the Senate

John E. Amos
Speaker House of Delegates

The within Approved this the 16

day of March, 1945.

Glenn Meadows

Governor.

Filed in the office of the Secretary of State
of West Virginia MAR 16 1945

Wm. S. O'BRIEN,
Secretary of State