WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1945

ENROLLED
SENATE BILL No. 223

(By Mr. , By Request

PASSED March 10, 1945

In Effect 90 days from Passage

JARRETT PRINTING COMPANY, CHARLESTON, W. VA.
ENROLLED

Senate Bill No. 223

(By Mr. Morrison, by Request)

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

AN ACT to amend and reenact section four, article one, chapter thirty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, and to add two new sections thereto, designated sections (h) and (i), relating to transactions 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 four, article one, chapter thirty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, and that two new sections
be added thereto, designated sections (h) and (i), to read as follows:

Section 4. Transactions Not Included.—The provisions of this chapter shall not apply to any of the following transactions:

(a) Any judicial, sheriff's, constable's executor's, administrator's, guardian's or conservator's sale or any sale by a receiver or trustee in insolvency or bankruptcy, or the sale by a pledgee, in good faith and in the ordinary course of business and not for the purpose of evading any provision of this chapter, of a security pledged for a bona fide debt;

(b) An isolated transaction in which any security is sold, offered for sale, subscription or delivery by the owner thereof, such sale or offer for sale, subscription or delivery not being made in the course of repeated and successive transactions of a like character by such owner;

(c) A sale upon a customer's order of any security, if sale is made to a person outside this state: Provided, That such sale in another state is not a violation of the securities laws of that state;
(d) The distribution by a corporation actively engaged in the business authorized by its charter, of capital stock, bonds or other securities to its stockholders or its other security holders as a stock dividend or other distribution out of earnings or surplus;

(e) The sale, transfer or delivery to any broker or dealer: Provided, That such broker or dealer is actually engaged in buying and selling securities as a business;

(f) Bonds or notes, or other obligations secured by mortgage, deed of trust, or other lien upon property, where the entire lien, together with all the bonds or notes secured thereby, is sold to a single purchaser at a single sale, or where the lien is given or incurred to secure the payment of unpaid purchase money;

(g) The issue and delivery of any security in exchange for any other security of the same issuer pursuant to a right or conversion entitling the holder of the security surrendered in exchange to make such conversion: Provided, That the security so surrendered has been registered under the provisions of this chapter or was, when sold, exempt through the provisions of said chapter;
(h) The sale by a domestic corporation of its securities if the aggregate number of holders of all its securities, after the securities to be issued are sold, does not exceed fifteen, and no commission, profit or other compensation is or has been paid for the sale of any securities of such corporation, and the total organization and promotion expense in connection with the issue of all securities of such corporation, exclusive of statutory fees, does not exceed three per cent of the aggregate sale price of all such securities or two hundred fifty dollars, whichever is greater;

(i) The transfer or exchange by one corporation to another corporation of its own securities in connection with a consolidation or merger of such corporations.
The Joint Committee on Enrolled Bills hereby certifies that
the foregoing bill is correctly enrolled.

Charles C. Morris
Chairman Senate Committee

J.A. DeGrange
Chairman House Committee

Originated in the Senate

Takes effect 90 days from passage

Joseph Higgs
Clerk of the Senate

Ralph
Clerk of the House of Delegates

Donald W. Wickens
President of the Senate

John E. Amos
Speaker House of Delegates

The within Approved this the 16

day of March, 1945.

Warren McDonald
Governor.

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

Wm. S. O'Brien,
Secretary of State