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WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1971

ENROLLED

SENATE BILL NO. 183

(By Mr. POFFENBARGER)

PASSED MARCH 2, 1971

In Effect NINETY DAYS FROM Passage



183

FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE
THIS DATE 3-10-71

ENROLLED

Senate Bill No. 183

(By MR. POFFENBARGER)

[Passed March 2, 1971; 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, relating to securities; and providing that the provisions of the chapter shall not be applicable to transactions by an issuer not involving any public offering.

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 to read as follows:

ARTICLE 1. SECURITIES; DEFINITIONS; REGISTRATION; UNLAWFUL ACTS; PENALTIES; LIABILITIES.

§32-1-4. Transactions not included.

1 The provisions of this chapter shall not apply to any
2 of the following transactions:

3 (a) Any judicial, sheriff's, constable's, executor's, ad-
4 ministrators, guardian's or conservator's sale or any
5 sale by a receiver or trustee in insolvency or bank-
6 ruptcy, or the sale by a pledgee, in good faith and in
7 the ordinary course of business and not for the purpose
8 of evading any provision of this chapter, of a security
9 pledged for a bona fide debt;

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

16 (c) A sale upon a customer's order of any security,
17 if sale is made to a person outside this state: *Provided,*
18 That such sale in another state is not a violation of the
19 securities laws of that state;

20 (d) The distribution by a corporation actively en-
21 gaged in the business authorized by its charter, of capital
22 stock, bonds or other securities to its stockholders or its
23 other security holders as a stock dividend or other dis-
24 tribution out of earnings or surplus;

25 (e) The sale, transfer or delivery to any bank, sav-
26 ings institution, trust company, insurance company or
27 to any broker or dealer: *Provided*, That such broker or
28 dealer is actually engaged in buying and selling securi-
29 ties as a business;

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

36 (g) The issue and delivery of any security in exchange
37 for any other security of the same issuer pursuant to
38 a right of conversion entitling the holder of the security
39 surrendered in exchange to make such conversion: *Pro-*
40 *vided*, That the security so surrendered has been regis-

41 tered under the provisions of this chapter or was, when
42 sold, exempt through the provisions of said chapter;

43 (h) Transactions by an issuer not involving any pub-
44 lic offering;

45 (i) The transfer or exchange by one corporation to
46 another corporation of its own securities in connection
47 with a consolidation or merger of such corporations;

48 (j) The solicitation or execution by a registered dealer
49 of orders for the purchase of any security, provided such
50 dealer acts as agent for the purchaser, has no direct
51 material interest in the sale or distribution of such
52 security, receives no commission, profit or other com-
53 pensation from any source other than the purchaser,
54 and delivers to the purchaser written confirmation of
55 the transaction which clearly itemizes his commission,
56 profit or other compensation.

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


Chairman Senate Committee

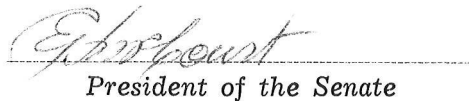

Chairman House Committee

Originated in the Senate.

To take effect 90 days from passage.


Clerk of the Senate


Clerk of the House of Delegates


President of the Senate


Speaker House of Delegates

The within approved this the 9th
day of March, 1971.


Governor

PRESENTED TO THE
GOVERNMENT

Date 3/5/71

Time 1:38 p.m.