WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1971

ENROLLED
SENATE BILL NO. 183

(By Mr. Poffenbarger)

PASSED MARCH 2, 1971

In Effect NINETY DAYS FROM PASSAGE

FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE
THIS DATE 3-10-71
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 of the following transactions:

3 (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 bank, savings institution, trust company, insurance company or 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 of 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 of conversion entitling the holder of the security surrendered in exchange to make such conversion: Provided, That the security so surrendered has been regis-
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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.

[Signature]
Chairman Senate Committee

[Signature]
Chairman House Committee

Originated in the Senate.

To take effect 90 days from passage.

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

[Signature]
President of the Senate

[Signature]
Speaker House of Delegates

The within [approved] this the [9th]

day of [March], 1971.

[Signature]
Governor
PRESENTED TO THE
GOVER

Date 3/5/71
Time 1:38 p.m.