WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1973

ENROLLED

HOUSE BILL No. 1172

(By Mr. [Signature]

PASSED April 7, 1973

In Effect Ninety days from Passage

FILED IN THE OFFICE
EDGAR F. BEICKMANN III
SECRETARY OF STATE
THIS DATE
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 the exemption of certain securities from registration with the commissioner of securities and exempting securities issued by agriculture cooperative associations.

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:

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

§32-1-3. Securities not included.

1 Except as hereinafter expressly provided, the provisions of this chapter shall not apply to any of the following classes of securities:
2 (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 super-
vision or regulation by the government of the United States;
(c) Any security issued or guaranteed either as to principal,
interest or dividends by a corporation owning or operating
a railroad engaged in interstate commerce and under super-
vision of the interstate commerce commission; any security
issued or guaranteed either as to principal, interest or dividend
by a corporation owning or operating any public service utility
other than a railroad, provided the issuance of such security
is supervised or regulated by a public commission, board or
officer of the government of the United States or of any state,
territory or insular possession of the United States, or of the
District of Columbia or of the Dominion of Canada or any
province thereof; and any equipment security based on chattel
mortgages, leases or agreements for conditional sale of cars,
motive power or other rolling stock or equipment mortgaged,
leased or sold to or furnished for the use of or upon a rail-
road or other public service utility corporation, or equipment
securities where the ownership or title of such equipment is
pledged or retained in accordance with the provisions of the
laws of the United States or of any state, or of the Dominion
of Canada, to secure the payment of such equipment securities;
(d) Any security issued by a person organized and oper-
at ed exclusively for educational, benevolent, fraternal, chari-
table or reformatory purposes and not for pecuniary profit,
and no part of the net earnings of which inures to the bene-
fit of any person, private stockholder or individual;
(e) Any security which, at the time of the sale, is listed
on the New York Stock Exchange, the American Stock Ex-
change or the Midwest Stock Exchange, pursuant to authoriz-
at ion by any such exchange, and additional amounts of any
such securities when regularly approved for listing upon the
issuance thereof and securities senior to the securities so listed:
Provided, That the commissioner shall have power and author-
ity 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, investigations 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 examinations, 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 such 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 solicitation is made of the orders so executed;

(j) Any note, draft, bill or exchange or bankers accept-
ance which arises out of a current transaction or the proceeds 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; and

(k) Any security issued by an agricultural cooperative association operating in this state that is organized under article four, chapter nineteen of this code, or as a foreign cooperative association organized under the laws of another state that has been duly qualified to transact business in this state.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

H. Darrel Derby  
Chairman Senate Committee

Chairman House Committee

Originated in the House.
Takes effect ninety days from passage.

Howard McConn
Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within _______________________________this the 13th day of _______________________________April, 1973.

Governor