

accepted, for any purpose whatsoever into any establishment licensed under sections 31.51 to 31.58.

Subd. 3. When it is necessary to slaughter an injured animal at a location other than in an approved establishment, the carcass may be accepted into an approved establishment provided that the carcass with the head and all viscera, except the stomach, bladder and intestines, held by the natural attachments is inspected and approved for further processing by a licensed veterinarian.

Subd. 4. Every animal which is eviscerated in a state licensed establishment must have been killed and bled in the establishment.

Subd. 5. Except as provided in this section, no person shall sell, offer for sale, or have in his possession with intent to sell any meat, poultry, or rabbit product unless said product comes from animals, poultry, or rabbits which have been slaughtered or processed in establishments which are licensed by the state, or which hold a state permit or are under the inspection program of the United States department of agriculture.

Approved April 16, 1959.

CHAPTER 285—S. F. No. 157

An act relating to the sale or offer for sale of securities, amending Minnesota Statutes 1957, Section 80.06.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1957, Section 80.06, is amended to read:

80.06 Sales excepted. The provisions of sections 80.05 to 80.27, except as herein expressly provided shall not apply to sales of the following character.

(1) Any isolated sales of any securities by the issuer or owner thereof, or by a representative for the account of such issuer or owner, such sales not being made in the course of repeated and successive sales of securities of the same issue by such issuer or owner or by such representative for the account of such issuer or owner. This exception shall not be deemed to exempt a broker or a broker's agent from the requirement of obtaining a license as herein provided. In any complaint, information, or indictment charging a sale in vio-

lation of sections 80.05 to 80.27, it shall not be necessary to specifically name or identify persons, other than the complainant, to whom like sales have been made but it shall be sufficient to sustain the same upon the demurrer or motion for dismissal before trial if it alleges that such sale was made in the course of repeated and successive sales of the same issue.

(2) Any sale of notes or bonds secured by a mortgage lien when the entire lien together with all notes or bonds secured thereby are sold to a single purchaser at a single sale.

(3) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction in this state.

(4) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution.

(5) Any subscription for securities when no cash or other consideration is paid by, or agreed to be paid by, the purchaser prior to the registration of the securities; provided, that all such subscriptions are expressly conditioned upon the registration of such securities within one year from the date of such subscription and otherwise to be null and void.

(6) The sale, by a pledge holder or mortgagee selling in the ordinary course of business at public or private sale of a security pledged with him in good faith as a security for a bona fide debt.

(7) The sale to any licensed broker or licensed dealer or to any bank or financial institution under the supervision of an instrumentality or officer of the United States or of the commissioner of banks or of the commissioner of insurance of this state.

(8) The exchange of securities by the issuer thereof with its own security holders without any other consideration from such security holders and where no commission or other remuneration is to be paid to any one for effecting such exchanges; provided that the offer of exchange is filed with the commission at least ten days prior to the making thereof with the fee of \$10 required by section 80.20, clause (6).

(9) The solicitation or execution of any orders by a licensed dealer or a licensed broker for the purchase of any security; provided, that such dealer or broker acts as agent for the purchaser and has no direct material interest in the sale or distribution of such security, receives no commission,

profit, or other compensation from any source other than the purchaser and delivers to the purchaser written confirmation of the transaction which clearly itemizes his commission, or other compensation.

(10) The solicitation and sale by any corporation of its securities to its security holders where a pro rata offering is made only to its security holders pursuant to a specific plan adopted by the corporation, or where such offer is required pursuant to preemptive rights of such security holders either by operation of law in the state in which such corporation is organized or pursuant to the charter or articles of such corporation, provided that no commission is paid for the sale of such securities, and provided that no such solicitations shall be made unless:

(a) Such issuer, prior to any such solicitation, shall file with the commission detailed information concerning such solicitation and sale and such further information, statements, copies of papers and instruments as the commission may require in order to determine whether or not the proposed sale of securities may be unfair, inequitable or fraudulent, or whether or not registration of such securities under section 80.08 or 80.09 is necessary or appropriate in the public interest or for the protection of investors, and

(b) The commission shall have advised such issuer in writing that the proposed solicitation and sale constitute exempt transactions under this subsection.

(11) The issue and delivery of any 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 registered under the law or was, when sold, exempt from the provisions of the law.

(12) The sale by any cooperative association of its own securities to its patrons when all or substantially all of the consideration is comprised of patronage refunds accruing to the purchaser on business transacted with the issuer;

(13) *The sale by a licensed dealer or broker, acting either as principal or agent, of securities theretofore sold and distributed to the public, provided that:*

(a) *Such securities are sold at prices reasonably related to the current market price thereof at the time of sale and if such dealer or broker is acting as agent, that the commission collected by such dealer or broker on account of the sale thereof is not in excess of usual and customary commis-*

sions collected with respect to securities and transactions having comparable characteristics; and

(b) Such securities do not constitute an unsold allotment to or subscription by such dealer as a participant in the distribution of such securities by the issuer or by or through an underwriter; and

(c) Either Moody's, Fitch's or Standard and Poor's securities manuals, or other recognized securities manuals approved by the commissioner of securities contain the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of such sale, and a profit and loss statement of issuer for the fiscal year preceding the date of such balance sheet; and

(d) Such securities would qualify for registration by notification pursuant to the provisions of section 80.09; and

(e) Such securities are limited to issuers organized under the laws of any state or territory or insular possession of the United States.

The commissioner may, by written order or regulation, suspend or wholly revoke the exempt status of any sales or class of sales exempted by this section or may require, prior to the making of any such sales or class of sales, such information with respect thereto or the security to be sold thereunder, or such reports after the making of such sale, as the commissioner may deem necessary to enable him to determine whether or not he should suspend or revoke the exempt status of such sales or class of sales.

Approved April 16, 1959.

CHAPTER 286—S. F. No. 266

[Not Coded]

An act providing that the City of Winona may expend money for advertising and promoting the city.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Expenditure for advertising.** Notwithstanding any other law, the city of Winona may expend \$2,500 annually for advertising and promoting said city.

Sec. 2. This act shall be effective and in force only until June 1, 1961.