

GENERAL STATUTES
of
MINNESOTA
1923

PUBLISHED UNDER THE AUTHORITY OF
LAWS OF 1923, CHAPTER 95,
APPROVED MARCH 26TH, 1923

COMPILED AND EDITED BY
HUBERT HARVEY, OF THE ST. PAUL BAR

PUBLISHER
REVIEW PUBLISHING COMPANY
ST. PAUL, 1924

	3977 Et. seq.	3977 Et. seq.
	25 — 192	160-M 64
	25 — 426	205-NW 370
3977 Et. seq.	154-M 96	
169-M 214F	154-M 425	3977
170-M 38	155-M 397	162-M 351
170-M 380	158-M 72	202-NW 737
171-M 191	191-NW 425	
213-NW 904	191-NW 916	
215-NW 177	193-NW 699	
215-NW 186	196-NW 672	
Art. 4 §27	199-NW 436	

CHAPTER 21B

REGULATION OF STOCKS, BONDS AND OTHER SECURITIES

3977 Et. seq. Repealed
 227nw 652
 228nw 757
 27 — 66
 27 — 68
 212-NW 806
 211-NW 961
 3977-4000
 64-M 455
 67-M 286
 09-NW 9
 10-NW 1001
 3-G.S. 7436
 3-G.S. 10639
 3977 Et. seq.
 172m 328
 174m 200
 210nw 81

3977. State Securities Commission created—Commissions—Salary—There is hereby created a commission to be known as the state securities commission, hereafter referred to as the "commission," whose duty it shall be to administer and provide for the enforcement of all the provisions of this act, which shall consist of three commissioners, all of whom shall be appointed by the governor. The commissioners above provided for shall be appointed by and with the advice and consent of the Senate, one of said commissioners to be appointed for a term ending June 30, 1923, one for a term ending June 30, 1925, and one for a term ending June 30, 1927, each of said periods and terms of office to begin upon qualification of the person appointed therefor. Upon the expiration of the terms of the three commissioners first to be appointed as aforesaid, each succeeding commissioner shall be appointed and hold office for the term of six years, except in the case of a vacancy in which event it shall be filled by appointment by the Governor for the unexpired portion of the term in which said vacancy occurs, and each commissioner shall hold office until his successor shall have been appointed and qualified. The Governor shall have power to remove a commissioner for inefficiency, neglect of duty or malfeasance in office, but before removal the commissioner, shall be furnished with a copy of the charges against him and have an opportunity to be heard in defense.

Each commissioner shall before entering upon the discharge of his duties take, subscribe and file with the Secretary of State the oath of office, prescribed by the constitution of this state. The member of said commission whose term of office expires June 30, 1923 shall be chairman of said commission during his term of office, and thereafter the member who has the shortest remaining term of service shall be chairman during the remainder of his term; any two of whom shall constitute a quorum, provided, however, that in all proceedings conducted before such commission on applications for bank charters, but in no other proceedings, the state superintendent of banks shall be ex officio a member of such commission and entitled to a vote. The commissioners shall each receive a salary of four thousand five hundred dollars (\$4,500) per annum. Said commission shall have its offices in the state capitol, in the city of St. Paul, in a room to be furnished and equipped by the state and all its record shall be there kept. It shall hold regular weekly meetings on such dates as may be determined by the commission and may hold special meetings upon the call of the chairman; it shall keep a complete record of all its meetings, its accounts and the business it transacts and may prepare all necessary blanks to be used in its proceedings and in the conduct of its business. The commission shall designate one of its members to act as secretary thereof, and shall have power to employ such assistance as may be necessary to carry out the provisions of this act. Annually on or before the first day of November, the commission shall prepare and file in the office of the governor a report containing an accurate review of the work of the commission for the fiscal year ending June 30, preceding the date of said report and which shall contain a schedule of all applications for license to sell securities

in the state, a schedule of licenses granted, a schedule of applications denied, a schedule of licenses suspended or revoked, a statement of the receipts and disbursements of the commission and such other material information as relates to the work of the office. ('17 c. 429 § 1, amended '19 c. 105 § 2; '21 c. 426 § 1) 146-52, 177+937; 147-217, 179+1001; 150-266, 185+255; 152-483, 189+458.

3978. Application—The provisions of this act, except section 10 thereof, shall not apply to (a) securities of the United States of any foreign government; or of any state or territory thereof; or of any county, city, township, district or other public taxing subdivision of any state or territory of the United States of any foreign government; (b) commercial paper, or unsecured negotiable promissory notes, due in not more than eighteen months from their date; (c) securities of public or quasi public corporations, the issue of which securities is regulated by a public service commission of this state or of any state or territory of the United States, or securities senior thereto; (d) securities of federal reserve banks, federal farm loan banks, building and loan associations of this state, or foreign building and loan associations that have now fully complied with the laws of this state pertaining to such corporations, and are now permitted to do business by the superintendent of banks, national banks, or of co-operative associations organized under the laws of this state for operating creameries, cheese factories, or rural telephone lines, or for the purpose of conducting any agricultural or dairy business including the business of selling, marketing or shipping livestock or agricultural or dairy products, where the authorized capital stock does not exceed twenty-five thousand dollars; (e) securities of any domestic corporation organized without capital stock and not for pecuniary gain, or exclusively for educational, religious, benevolent, charitable or reformatory purposes; (f) authorized securities as specified and defined by section 6393 of the General Statutes of 1913 and any amendment thereof, or securities of the classes specified and defined in section 3313, General Statutes 1913; (g) mortgages and notes or bonds secured by mortgage upon real or personal property where the entire mortgage is sold and transferred with the note or notes or bonds secured by such mortgage, or where the indebtedness secured is not more than seventy per cent of the fair value of the property mortgaged; (h) increase of stock sold and issued to stockholders or stock dividends; (i) securities sold pursuant to the order of any court; (j) isolated or single transactions, (k) policy contracts of insurance companies licensed to do business in this state. ('17 c. 429 § 2, amended '19 c. 105 § 3; '23 c. 271 § 1)

3979. Certain companies to be deemed investment companies—Every person, firm, co-partnership, corporation, company or association, whether unincorporated or incorporated, under the laws of this or any other state, territory, or government, which shall either himself, themselves or itself, or by or through others engage in the business within the state of Minnesota of selling, offering or negotiating for the sale of any stocks, bonds, investment contracts or other securities, issued by him, them or it, except to a bank or trust

company, shall be known, for the purpose of this act, as an investment company.

Every person, firm, co-partnership, company, corporation or association, whether unincorporated or incorporated under the laws of this or any other state, territory or government, not the issuer, who shall within the state of Minnesota sell or offer for sale any stocks, bonds, investment contracts, or other securities, or who shall by advertisement or otherwise profess to engage in the business of selling or offering for sale any stocks, bonds, investment contracts or other securities within the state of Minnesota, shall be known for the purpose of this act as a dealer. The term dealer shall not include an owner, not issuer, of any stocks, bonds, investment contracts, or other securities so owned by him when such sale is not made in the course of continued and successive transactions of a similar nature, nor one who in a trust capacity created by law lawfully sells any stocks, bonds, investment contracts, or other securities, embraced within such trust. ('17 c. 429 § 3, amended '19 c. 105 § 4; '23 c. 4 § 1)

Investment contracts or securities. 191+426; 193+700.

3980. Investment companies must secure license from commission—No such investment company and no such dealer shall sell or offer for sale any stocks, bonds, investment contracts, or other securities, or profess the business of selling or offering for sale any stocks, bonds, investment contracts, or other securities, (all of which are in this act referred to under the general term of and called securities) unless and until he or it shall have been licensed by the commission as herein provided. To secure such license said investment company or dealer shall file application therefor, with the commission, and shall furnish said commission, upon oath, in such form as the commission shall prescribe the following information, to-wit: The investment company's or dealer's name, residence, and business address, the general character of the securities to be sold or dealt in, the place or places where the business is to be conducted within this state, and where the business in this state is not to be conducted by the investment company or by the dealer in person, then the names and addresses of all the persons in charge thereof. Said investment company shall pay to the commission a filing fee of one-tenth of one per cent upon the face value of the securities for the sale of which application is made; provided, that such filing fee shall not be less than twenty-five dollars, except that as to corporations organized under Chapter 382, General Laws 1919, and acts amendatory thereof, such minimum shall be ten dollars; provided, further, that an investment company, as defined in Section 6445, General Statutes 1913, which is under the supervision of the superintendent of banks and which is engaged in the business of soliciting payments to be made to itself on the installment, single payment or full paid plan, issuing therefor saving certificates, agreeing to return to the holders or owners thereof money at some future date, shall for the issuance of such certificates, in lieu of other fees and payments herein provided for, pay to the commission an annual fee of one hundred (\$100.00) dollars; and said dealer shall pay to the commission an annual fee of twenty-five dollars and shall furnish said commission with such other information in addition to that above specified as said commission shall deem necessary in order to thoroughly acquaint such commission with the honesty and good faith of such dealer or investment company, and the character of the business of said investment company or dealer. All authorized agents of any dealer or investment company shall be registered with the commission and the name of any agent shall be stricken

from the register by the commission upon the written request of the dealer or investment company, and additional agents may be registered by the commission upon like request of the dealer or investment company; provided, that no agent shall act as such until he shall have filed with the commission a signed and acknowledged certificate of registration and acceptance of agency upon forms to be furnished by the commission and until he shall have been licensed by the commission; provided, also, that the commission shall have authority to reject or cancel the registration and appointment of any person as agent for such cause as may to the commission appear sufficient. If an investment company or dealer shall be a non-resident of the state or a corporation other than a domestic corporation, he or it shall at the time he or it registers with the commission also file with the commission a written, duly authorized, executed and acknowledged appointment of the public examiner of this state as his or its agent in Minnesota, upon whom process or pleadings may be served for or on behalf of the dealer or investment company, which appointments shall be irrevocable. Upon compliance by such investment company or dealer with the provisions of this act, the said commission shall either make an order denying said application or shall make findings as provided in Section 9 hereof or shall issue to such investment company or dealer a license under the seal of said commission in such form or forms as the commission shall adopt which said license shall be good until revoked by said commission for good cause upon notice to such investment company or dealer and a hearing duly had; provided, however, said license may be suspended as to the selling of specific securities as provided in Section 8 of this act. In addition to the filing and examination fees herein provided for to be paid by said investment companies and dealers, there shall be charged and collected by said commission a fee of three dollars for the registration and authorization of each agent of such investment company or dealer, which fee and registration shall entitle each agent to act as such until the first day of July following, unless said authority is sooner revoked by the commission or the dealer or investment company. Each of such agents shall make a new registration on July 1 of each year for the renewal of his agency, and the commission shall charge and collect for each such renewal registration a fee of three dollars. ('17 c. 429 § 4, amended '19 c. 105 § 5; '21 c. 372 § 1; '23 c. 4 § 2)

3981. \$1,000 revolving fund created—All fees and charges collected by the commission shall be covered into the state treasury and credited to the state securities commission fund.

Provided, that there is hereby created a revolving fund of \$1,000.00 to be advanced from the state treasury on auditor's warrant, any part or all of which fund may be used for the purpose of defraying the expense of travel on business of the commission and the expenses which may be incurred under Section 7 of this act. ('17 c. 429 § 5, amended '19 c. 105 § 6)

3982. Promotion of securities—Every investment company or dealer who shall, as principal or agent, promote or negotiate by advertisement, letter, circular, prospectus, by word of mouth or by any other method of public or general offering, or specific offering, the sale or distribution of any such securities, not exempted under the terms of this act, in this state, except to banks, trust companies or to duly licensed dealers, shall before making such negotiation, sale or promotion file a statement in writing signed by such investment company or dealer, as the case may be, or by its or his authorized representative, notifying the commission of its or his intention to promote, offer or

3980
196-NW 672

3980 941
4-NW 694
5-NW 9520
-G.S.

3980 305
64-M 95
55-M

3980R
232nw 523

sell such securities, describing fully such securities, and furnishing to said commission true copies of all prospectuses, circulars and advertisement used, or to be used in such sale or promotion, and said commission may make such investigation thereof and require such further information or proof with respect thereto as it may deem necessary to determine the character of such securities or of such promotion. If any such investment company or dealer shall mail by registered mail postpaid and properly addressed to the commission such notification and documents prescribed in this section, with the name and address of the investment company or dealer, the same shall be deemed a filing and notification under this section, provided said registered letter or package would reach the commission at least twenty-four hours in the ordinary course of delivery, before such sale, promotion or offering shall be made. ('17 c. 429 § 6)

3983. Offering of stocks, etc., under certain conditions a misdemeanor—Every person, firm, co-partnership, company or association, incorporated or unincorporated, who shall himself, themselves or itself, or by or through others, circulate, distribute or cause to be circulated or distributed, either publicly or privately in any manner whatsoever, any printed or written matter containing an offer of, or a solicitation to purchase, directly or indirectly, stocks, bonds, investment contracts or other securities not exempt under the terms of this act, and every person, firm, co-partnership, company or association, whether incorporated or unincorporated, who shall as an agent or otherwise in any manner assist in such distribution or circulation, unless such offer of, or solicitation to purchase, said stocks, bonds, investment contracts or securities shall have been approved by the commission, shall be guilty of a misdemeanor. ('17 c. 429, amended '19 c. 105; '19 c. 257 § 1)

Provisions not limited to "investment companies" and dealers. 152-483, 189-461.

3984. Investigations to be made by commissions—The commission may also make such special investigations as it may deem necessary in connection with the promotion or sale of any such securities to the end that the commission may be put in possession of all facts and information necessary to qualify it to properly pass upon all questions that may properly come before it, and to determine if the same is in violation of this act or of any of the acts of the legislature described in section 9 hereof, and to that end it shall have power to issue subpoenas compelling the attendance of any person and the production of any papers and books for the purpose of such investigation, and shall have power to administer oaths to any person whose testimony may be required in such investigation. It may also make or have made under its direction a detailed examination and report of the property, business and affairs of such investment company, which investigation and examination shall be at the expense of such investment company, or of the dealer seeking to sell such securities. It may cause an appraisal to be made at the expense of said investment company or dealer, of the property of said investment company. ('17 c. 429 § 7)

3985. Powers of commission—The commission shall have power: To limit the price at which securities shall be sold by an investment company or dealers or the agents of either; to fix the maximum amount which may be paid for promotion services or be expended for commissions and other expense incidental to the sale of securities; to require licensed investment companies and dealers to furnish to it from time to time upon oath in such form as the commission shall prescribe such information as may be necessary to enable the commission to determine whether the fur-

ther sale of the securities authorized to be sold under the license of such investment company or dealer would be in violation of this act; to fix such other conditions for granting a license and to make such other orders and alter, suspend or revoke the same as may be necessary for carrying out and enforcing the provisions of this act; to suspend the license of any investment company or of any dealer with respect to the sale or promotion of any security or securities said dealer or investment company may propose to sell, upon original notification of his or its purpose to sell, or at any future time when information in the possession of the commission may cause it to believe that such investment company or dealer has violated any lawful order of the commission or any of the provisions of this act or any of the conditions upon which he, they or it was licensed or that the further sale of said securities would be a violation of this act, and shall also have power to suspend any and all licenses issued by it pending the furnishing of any proof or information which the commission has asked or may ask for under the terms of this act. The investment company or dealer, however, may within 30 days demand a hearing upon such suspension or upon a denial under section 4 of this act at any subsequent meeting of the commission, or the commission upon notice duly given may set a time for hearing, at which the commission shall grant a full hearing to all parties concerned, and upon such hearing duly had may make such order as the facts justify, removing, continuing or making permanent the suspension, or revoking the license of said dealer or investment company as to the sale of such securities or of all securities in the state. ('17 c. 429 § 8, amended '19 c. 105 § 7)

3986. Arrests and prosecutions for misrepresentation—If the commission finds that the proposed plan of business of said investment company, or that its proposed contracts, stocks, bonds or other securities, are fraudulent or are of such a nature that the sale of such contracts, stocks, bonds or other securities would in the opinion of said commission work a fraud upon the purchaser, or, if said commission shall determine that any such promotion or sale constitutes a violation of this act, or that any such promotion or sale constitutes the crime defined and described in Chapter 479, General Laws Minnesota 1909, entitled, "An act to prohibit the making or publishing of false statements of publications of or concerning the affairs, pecuniary condition or property of any corporation, joint stock association, co-partnership or individual, which said statements or publications are intended to give or shall have a tendency to give, a less or greater apparent value to the shares, bonds or property, or any part thereof of said corporation, joint stock association, co-partnership or individual than the said shares, bonds or property shall really and in fact possess, and providing a penalty therefor," or that any such promotion or sale constitutes the crime defined and described in Chapter 51 of the Laws of Minnesota for 1913, entitled, "An act to prevent fraudulent advertising," as amended by Chapter 309 of the Laws of 1915, in so far as said act relates to securities and shall notify said dealer or investment company by registered mail and also by telegraph if deemed advisable, of its findings, suspension or disapproval, then it shall be unlawful for such investment company or dealer to do any business in the way of selling, offering for sale, taking subscriptions for, or negotiating for the sale in any manner whatever of any such securities in this state; and said securities shall not be sold in this state, and it shall immediately suspend the license of said investment company or dealer with respect to the promotion or sale of said securities, and shall so notify him or it, and the commission may immediately take such steps

as may be necessary to cause the arrest and prosecution of all persons deemed guilty thereof. It shall be the duty of each county attorney to prosecute any violation of this act in his county, and upon his request or the request of the commission the attorney general shall assist in such prosecution. ('17 c. 429 § 9)

3987. Gross misdemeanor for defrauding—If any person, including a corporation, co-partnership, company or association, and the officers or agents thereof, alone or in common with others, having devised or intending to devise any scheme or artifice to defraud by the issuance, sale, promotion, negotiation or distribution of any stocks, bonds, notes, contracts or other securities, shall in and for executing such scheme or artifice or in attempting so to do, commit any overt act within this state, such person shall be guilty of a gross misdemeanor. ('17 c. 429 § 10)

3988. False statements a gross misdemeanor—Any person who shall knowingly make or file, or cause to be made or filed any statement, information or proof required hereunder, by said commission, which is in whole or in part materially false, or any investment company or dealer who shall sell or promote, or cause to be promoted by advertisement, circular letter prospectus, by word of mouth, or by any other form of public or general offering, the sale of any securities without complying with the provisions of this act, or without furnishing to the commission any information or proof in the possession of or reasonably obtainable by him or it, after the same is required by the commission under this act, shall be guilty of a gross misdemeanor. ('17 c. 429 § 11)

3989. When witnesses are in contempt—Any witness who refuses to be sworn or refuses to testify or disobeys any subpoena or lawful order of the commission or fails or refuses to produce any paper, book or document touching any matter under examination or investigation or is guilty of contemptuous conduct after being summoned to appear to give testimony in relation to any such matter, or any investment company or dealer or the officers or agents of either who shall violate any lawful order of the commission or any of the conditions upon which said investment company, dealer or agent was licensed shall be guilty of contempt, and any district court may in any such case punish for contempt as if the proceedings were pending in such court, whenever the commission shall certify to such district court a statement of the facts constituting the contempt.

Provided, also, that contempt proceedings under this section shall not be a bar to any prosecution for a violation of any of the provisions of this act. ('17 c. 429 § 12, amended '19 c. 105 § 8)

3990. Classifying information and publicity of same—It shall be the duty of the commission to so preserve, classify and arrange such information as to facilitate examination by the commission.

The commission may, in its discretion, give out information relating to the affairs of any investment companies or dealers offering, to any person affected by the matters therein contained, when such persons satisfactorily show to the commission that they are entitled to the information to aid them in determining the desirability of the investment offered.

The commission shall not reveal the text of any formula, process, patent, copyright, or any portion thereof to anyone inquiring without the written consent of the person or corporation whose offering is inquired of.

The commission shall not reveal information relative to any matter that may be at issue in any court, unless upon an order of the court.

The commission may from time to time issue in pamphlet form, or by newspaper advertisement or

otherwise, information regarding offerings it considers fraudulent offered by persons or parties within or without the jurisdiction of the state for sale to parties within the state by mail, advertisement or otherwise. ('17 c. 429 § 13)

3991. Not to effect supervisory powers of superintendent of banks—Nothing in this act shall be construed to repeal or modify any laws giving the state banking department of this state control of and supervision over state banks, savings banks, trust companies, and the business of banking in this state, nor shall any part of this act be construed to repeal or modify laws giving the commissioner of insurance of this state control of and supervision over the business of insurance in this state, and those engaged therein. This act shall not be construed to be amendatory of, nor as superseding any statute of this state now in force, but as supplementary thereto. ('17 c. 429 § 14)

3992. Commission to adopt a seal—The commission shall adopt a seal with the words, "State Securities Commission, Minnesota," and such design as the commission may prescribe, engraved thereon, by which it shall authenticate its proceedings. Copies of all records and papers in the office of the commission certified by the executive officer thereof, and authenticated by the seal of said state securities commission shall be received in evidence in all courts equally and with like effects as the originals. ('17 c. 429 § 15, amended '19 c. 105 § 9)

3993. Information to be furnished applicants—The commission shall provide for the furnishing to those who may rightfully apply therefor as is provided in section 13 of any information regarding any investment company or dealer, or regarding any securities offered by any dealer which is on file in its office, except such as is withheld by the commission under section 13 of this act, said commission to charge therefor approximately the cost of preparing such information. The members of the commission shall perform the duties imposed upon them, and each of them, by the terms of this act, without other compensation than the salaries paid them by the state, but they shall be entitled to receive their actual and necessary expenses incurred when absent from the seat of government on business of the commission. ('17 c. 429 § 16)

3994. Violation a gross misdemeanor—Any person or persons, investment company, dealer or agent who shall violate any of the provisions of this act, or any lawful order of the commission or any of the conditions upon which he, they or it was licensed shall be deemed guilty of a gross misdemeanor, and, upon conviction thereof, shall be fined not more than one thousand dollars or shall be imprisoned for not more than one year, or both such fine and imprisonment, in the discretion of the court.

Provided, that in prosecutions under this act for unlawfully selling, offering for sale, taking subscriptions for or negotiating for the sale of any securities, or for unlawfully professing the business of selling or offering for sale such securities, any of the exceptions specified in sections 2, 3 and 6 of this act shall constitute a matter of defense to be proved as such upon the trial, and it shall not be incumbent upon the state to allege or prove that such securities, or the acts complained of, do not come within any of such exceptions. ('17 c. 429 § 17, amended '19 c. 105 § 10)

3995. Review by supreme court—The supreme court upon petition of any person aggrieved may review by certiorari any final order or determination of the commission. The issuance of the writ shall not, however, unless specifically ordered by the court, operate as a stay of proceedings. ('17 c. 429 § 18)

3996. Declaring of one section unconstitutional not to affect other sections—Should the courts of this state

3991
167-M
209-NW
289
10

declare any section or provision of this act unconstitutional or unauthorized, or in conflict with any other section or provision of this act, then such decision shall affect only the section or provisions declared to be unconstitutional or unauthorized, and shall not affect any other section or part of this act. ('17 c. 429 § 19)

3997. Bank applications must be approved by state securities commission—The incorporators of any bank proposed to be organized under the laws of this state shall execute and acknowledge an application in writing in the form prescribed by the State Securities Commission, and shall file the same in its office, which application shall be signed by two or more of the incorporators, requesting a certificate authorizing the proposed bank to transact business at the place, and in the name stated in said application. At the time of filing said application the applicant shall pay to the commission a filing fee of \$25.00, which shall be paid into the state treasury and credited to the State Securities Commission fund. Thereupon the State Securities Commission shall fix a time within thirty (30) days after the filing of said application, for a hearing at its office at the state capitol, at which hearing it shall decide whether or not such application shall be granted. A notice of such hearing shall be published in the form prescribed by the State Securities Commission in some newspaper published in the municipality in which said proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which such bank is proposed to be located. Such notice shall be published once, at the expense of the applicants, not less than ten (10), nor more than twenty (20) days, prior to the date of such hearing. At such hearing the State Securities Commission shall consider the application, and shall hear the applicants and such witnesses as may appear in favor of or against the granting of the application of such proposed bank.

If upon such hearing it shall appear to the State Securities Commission that said application should be granted, it shall, not later than thirty (30) days after such hearing, and after said applicants have otherwise complied with the provisions of law applicable to the organization of a bank, including the provisions herein contained make and file in the office of the Superintendent of Banks its order, in writing, directing said Superintendent of Banks to issue the certificate of authorization as provided by law. If, however, said State

Securities Commission shall decide that said application should not be granted, it shall deny such application and make its order, in writing, to that effect, and file the same in the office of the Superintendent of Banks, and forthwith give notice thereof by registered mail to one of the incorporators named in the application for such proposed bank, addressed to such incorporator at the address stated in such application and thereupon said Superintendent of Banks shall refuse to issue the certificate of authorization, which is prescribed by law, to such proposed bank. ('19 c. 86 § 1, amended '21 c. 498 § 1)

See 145-125, 176+346; 145-221, 176+759.

3998. Provision for expenses—The expenses of organization and incorporation of any such banks shall not exceed the necessary legal expenses incurred in drawing articles of incorporation, publication and recording thereof, and such incorporators shall, prior to the issuance of the certificate of authorization provided for by law, file with the Superintendent of Banks, a verified statement, showing the amount of such expense incurred in the organization of such bank. ('19 c. 86 § 2)

3999. Condition under which charters may be issued—If the applicants are of good moral character and financial integrity, and if there is a reasonable public demand for such bank in such location, and if the organization expenses being paid by the subscribing shareholders does not exceed the necessary legal expenses incurred in drawing incorporation papers and publication and recording thereof, as required by law, and if the probable volume of business in such location is sufficient to insure and maintain the solvency of the new bank, and the solvency of the then existing bank or banks in such locality, without endangering the safety of any bank in said locality as a place of deposit of public and private money, and if the State Securities Commission is satisfied that the proposed bank will be properly and safely managed, such application shall be granted, otherwise it shall be denied. In case of the denial of such application, the State Securities Commission shall specify the grounds for such denial and the supreme court, upon petition of any person aggrieved, may review by certiorari any such order or determination of the commission. ('19 c. 86 § 3)

4000. Inconsistent acts repealed—Any and all parts of acts, inconsistent herewith, are hereby repealed. ('19 c. 86 § 4)

3997-4000
25 — 260
25 — 261

3997
29 — 146

3997-99
31 — 382

3997-4000
178in 492
227nw 652
240nw 450