

CHAPTER 318

DECLARATION OF TRUST

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318.01 ORGANIZATION; SCOPE OF BUSINESS. Two or more persons, whether residents of this state or not, may organize and associate themselves together for the purpose of transacting business in this state under what is commonly designated or known as a "declaration of trust" or "business trust"; provided, however, no such association shall ever be permitted or authorized to transact in this state any business of insurance except the kind of business of insurance specified in Minnesota Statutes, Section 60.29, Subdivision 1 (7), and all acts amendatory thereof; and further provided, however, no such association shall ever be permitted or authorized to transact a banking or security business, of any kind, in this state.

[1961 c 740 s 2]

318.02 FILING A DECLARATION OF TRUST AND ISSUANCE OF CERTIFICATE TO ASSOCIATION. Every such association hereafter organized for the purpose of transacting business in this state shall, prior to transacting any business in this state, file in the office of the secretary of state a true and correct copy of the "declaration of trust" under which the association proposes to conduct its business, which copy shall be sworn to, as being a true and correct copy, by the chairman of the board of trustees named in such declaration of trust. The "declaration of trust" may provide that the duration of such association shall be perpetual. Upon the filing of the copy of the "declaration of trust" and the payment of a filing fee of \$150 to the secretary of state, the secretary of state shall issue to the trustees named in the said "declaration of trust" a certificate showing that such "declaration of trust" has been duly filed in his office; whereupon, such association shall be authorized to transact business in this state; provided that all other applicable laws have been complied with. The "declaration of trust" may be amended as provided in the "declaration of trust" or in any amendments thereto but all amendments to the "declaration of trust" shall be filed in the office of the secretary of state upon the payment of a filing fee of \$50 to the secretary of state and all amendments shall become effective at the time of said filing. When such copy of the "declaration of trust" and any amendments thereto shall have been filed in the office of the secretary of state it shall constitute public notice as to the purposes and manner of the business to be engaged in by such association.

[1961 c 740 s 3]

318.03 QUALIFICATION WITH SECURITIES DIVISION. Before any person may offer for sale, barter or sell any unit, share, contract, note, bond, mortgage, oil or mineral lease or other security of an association doing business under what is known as a "declaration of trust" or "business trust" in this state, such person shall register such securities pursuant to the provisions of Minnesota Statutes, Chapter 80, and all acts amendatory thereof, which registration shall be applied for and granted under the same conditions as like registrations are applied for and granted to corporations.

[1961 c 740 s 4]

318.04 QUALIFICATION WITH INSURANCE DIVISION. Any such association permitted by section 318.01 to organize to transact in this state the kind of business of insurance permitted by section 318.01 shall set out in its "declaration of trust" the kind of business of insurance that it shall transact in this state; and before filing with the secretary of state the copy of the "declaration of trust" and any amendments thereto pursuant to section 318.02 there shall be endorsed upon the "declaration of trust" and any amendments thereto the approval of the commissioner of insurance; and it shall be subject to the same insurance laws of this state and regulations of the commissioner of insurance that an insurance

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corporation transacting the same kind of business of insurance is subject to except as otherwise provided by law; and it shall obtain from the commissioner of insurance a certificate of authority as an insurer which certificate of authority shall be issued by the commissioner of insurance upon compliance with all the applicable insurance laws of this state and regulations of the commissioner of insurance.

[1961 c 740 s 5]

318.05 UNLAWFUL TO TRANSACT BUSINESS PRIOR TO COMPLIANCE.

No person may transact or conduct any business, within this state, under any "declaration of trust" or "business trust," or like association hereafter organized, without first complying with the provisions and requirements of sections 318.01 and 318.02 and in addition thereto complying with the provisions and requirements of sections 318.03 to 318.04 when applicable.

[1961 c 740 s 6]

318.06 PENALTIES. Any person who shall violate any of the provisions of sections 318.01 to 318.05 shall be deemed guilty of a felony and, upon conviction thereof, shall be punished by a fine not exceeding \$1,000 or by imprisonment in the state prison not exceeding two years.

[1961 c 740 s 7]