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CHAPTER 623

UNLAWFUL BUSINESS PRACTICES

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NOTE: For definitions and general provisions, see Chapter 610.

623.01 TRUSTS AND COMBINATIONS IN RESTRAINT OF TRADE. No person or association of persons shall enter into any pool, trust agreement, combination, or understanding whatsoever with any other person or association, corporate or otherwise, in restraint of trade, within this state, or between the people of this or any other state or country, or which tends in any way or degree to limit, fix, control, maintain, or regulate the price of any article of trade, manufacture, or use bought and sold within the state, or which limits or tends to limit the production of any such article, or which prevents or limits competition in the purchase and sale thereof, or which tends or is designed so to do; provided, that it shall be lawful for any person, firm, corporation, or association of persons conducting or carrying on a lawful business, to purchase the business and property of a competitor and thereafter consolidate such business and the property used in connection therewith under the sole management of and control of the purchaser if, before such purchase and consolidation, the attorney general shall, after hearing duly had upon notice to all persons interested, find and determine that such consolidation will not unreasonably limit and restrain the production and sale of an article of trade, commodity or service, and will not be detrimental to the public interest. Every person violating any provision of this section, or assisting in such violation, shall be guilty of a felony; and, upon conviction thereof, shall be punished by a fine of not less than \$500, nor more than \$5,000, or by imprisonment in the state prison for not less than three, nor more than five, years.

[R. L. s. 5168; 1923 c. 251 s. 1] (10463)

623.02 DOMESTIC CORPORATIONS TO FORFEIT FRANCHISES; FOREIGN CORPORATIONS. Every domestic corporation which shall, directly or indirectly, violate any provision of section 623.01, or which shall in any way assist in carrying out any of the purposes of such illegal pool, trust agreement, combination, or understanding, in addition to the penalties imposed upon the members thereof by that section, shall forfeit all of its corporate franchises; and every foreign corporation admitted to transact business in this state, guilty of like conduct, shall thereafter be prohibited from continuing its business therein. The attorney general and the several county attorneys shall begin and conduct, in the district court, all actions and proceedings necessary to enforce the provisions of this section, and any citizen may do so. The court, by injunction or restraining order, may prohibit the transaction of business by such corporation pending the trial of the action.

[R. L. s. 5169] (10468)

623.03 FOREIGN CORPORATIONS, HOW READMITTED. Any foreign corporation which has heretofore or may hereafter be prohibited by judgment under section 623.02 from continuing its business within this state, and whose business at the beginning of the proceedings resulting in such judgment was and thereafter continued to be, in whole or in part, manufacturing within this state, shall be entitled to the rights, benefits, and privileges of Revised Laws 1905, Section 2889, by filing with the secretary of state the affidavit specified in section 623.04; provided, that such corporation shall, within the times hereinafter specified, apply for the assessment of and pay the fine mentioned in section 623.05. At the time of filing

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the affidavit the corporation shall deposit in court with the clerk thereof the sum of \$10,000, which sum, or any part thereof, shall be applied on any fine imposed upon such corporation under section 623.05.

[1913 c. 378 s. 1] (10469)

623.04 AFFIDAVIT. The affidavit mentioned in section 623.03 shall be made by the president, secretary, general manager, or other officer or agent of the corporation having knowledge of the facts, and shall state that the business of the corporation at the beginning of the proceedings was and thereafter continued to be, in whole or in part, manufacturing within the state, and that the corporation does not at the date of the affidavit, directly or indirectly, violate any provision of section 623.01, and does not at that date in any way assist in carrying out any of the purposes of any pool, trust agreement, combination, or undertaking mentioned in section 623.01.

[1913 c. 378 s. 2] (10470)

623.05 APPLICATION TO FIX FINE. Within 30 days after the filing of such affidavit the corporation shall make application, in the case in which the judgment was entered, for an order of the court to assess and fix a fine upon the corporation in pursuance of sections 623.03 to 623.07. Eight days' notice of the application shall be given to the attorney general, and the court, after hearing, shall assess and fix the fine at such sum, not exceeding \$10,000, as to it shall seem just and reasonable under the circumstances shown in the record of the case. If the corporation shall fail to make, within the 30 days, such application for assessing and fixing the fine, or shall fail to pay the fine within the 60 days after the written notice of the amount thereof from the attorney general, all such rights, benefits, and privileges under Revised Laws 1905, Section 2889, shall cease.

[1913 c. 378 s. 3] (10471)

623.06 APPLICABLE ONLY TO FIRST JUDGMENT. Sections 623.03 to 623.07 shall apply only to the first judgment entered against such corporation under section 623.02, and shall be inapplicable to any subsequent judgment against it under section 623.02, and the rights, benefits, and privileges of Revised Laws 1905, Section 2889, shall cease when the business of such corporation shall cease to be, in whole or in part, manufacturing within the state.

[1913 c. 378 s. 4] (10472)

623.07 VACATION OF RIGHTS; MOTION BY ATTORNEY GENERAL. At any time after the filing of the affidavit the attorney general may make, in the case in which the judgment was entered, a motion for an order vacating such rights, benefits, and privileges under Revised Laws 1905, Section 2889. The motion shall contain a specification of the grounds thereof and shall be served on the corporation in the manner provided for the service of a summons. The court shall hear the motion in a summary manner on the specification and on the corporation's answer thereto and on such evidence as may be submitted at the hearing, and shall make its findings of fact and conclusions of law therein; and if it be found that the corporation has since the filing of the affidavit, directly or indirectly, violated any provision of section 623.01, or has in any way assisted in carrying out any of the purposes of any pool, trust agreement, combination, or understanding mentioned in section 623.01, the court, by a supplementary judgment in such case, shall enter judgment vacating all of such rights, benefits, and privileges or impose a fine of not less than \$5,000 and not exceeding \$10,000.

[1913 c. 378 s. 5] (10473)

623.08 PETROLEUM; DISCRIMINATION BETWEEN LOCALITIES. Any person, firm, company, association, or corporation, foreign or domestic, doing business in this state and engaged in the production, manufacture, or distribution of petroleum or any of its products that shall intentionally, or otherwise, for the purpose of destroying the business of a competitor or creating a monopoly in any locality, discriminate between different sections, communities, or cities of this state, by selling such commodity at a lower rate in one section, community, or city than is charged for such commodity by such party in another section, community, or city after making due allowance for the difference, if any, in the test or quality and in the actual cost of transportation from the point of production, if a raw product, or from the point of manufacture, if a manufactured product, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared to be unlawful.

[1907 c. 269 s. 1] (10474)

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623.09 PENALTY. Any person, firm, company, association, or corporation violating any of the provisions of section 623.08, and any officer, agent, or receiver of any firm, company, association, or corporation, or any member of the same, or any individual found guilty of violation thereof, shall be guilty of a gross misdemeanor, and shall be fined not more than \$5,000, or be imprisoned in the county jail for not to exceed one year, or both.

[1907 c. 269 s. 2] (10475)

623.10 CONTRACTS VOID; RECOVERY. All contracts or agreements made in violation of any provisions of sections 623.08 and 623.09 shall be void and any money or property paid or transferred for any such commodity under any such agreement shall be paid back within ten days after demand therefor, and on failure to so repay, then the purchasers may recover back, in a civil action, any such money or property, together with reasonable attorneys' fees not less than \$25.

[1907 c. 269 s. 3] (10476)

623.11 DUTY OF COUNTY ATTORNEY. It shall be the duty of the county attorneys in their counties, and the attorney general, to enforce the provisions of sections 623.08 to 623.10 by appropriate actions in courts of competent jurisdictions.

[1907 c. 269 s. 4] (10477)

623.12 DUTY OF SECRETARY OF STATE. If complaint shall be made to the secretary of state that any corporation authorized to do business in this state is guilty of unfair discrimination, within the terms of sections 623.08 to 623.15, it shall be the duty of the secretary of state to refer the matter to the attorney general, who may, if the facts justify it in his judgment, institute proceedings in the courts against such corporation.

[1907 c. 269 s. 5] (10478)

623.13 REVOCATION OF PERMIT. If any corporation, foreign or domestic, authorized to do business in this state, is found guilty of unfair discrimination, within the terms of sections 623.08 to 623.15, it shall be the duty of the secretary of state to immediately revoke the permit of such corporation to do business in this state.

[1907 c. 269 s. 6] (10479)

623.14 CONTINUANCE IN BUSINESS; OUSTER. If after the revocation of its permit, such corporation or any other corporation (not having a permit and found guilty of having violated any of the provisions of sections 623.08 to 623.15) shall continue or attempt to do business in this state, it shall be the duty of the attorney general, by a proper suit in the name of the State of Minnesota, to oust such corporation from all business of every kind and character in the state.

[1907 c. 269 s. 7] (10480)

623.15 REMEDIES CUMULATIVE. Nothing in sections 623.08 to 623.15 shall be construed as repealing any other act, or part of an act, but the remedies herein provided shall be cumulative to all other remedies by law.

[1907 c. 269 s. 8] (10481)

623.19 MONOPOLIZATION OF FOOD PRODUCTS. Subdivision 1. **Declared a criminal conspiracy.** Any combination of persons, either as individuals or as members or officials of any corporation, to monopolize the markets for food products in this state or to interfere with or restrict the freedom of such markets, is hereby declared to be a criminal conspiracy.

Subd. 2. **Penalty.** Any person found guilty of violating any provision of this section shall be punished by a fine of not less than \$50 nor more than \$100 or by imprisonment in the county jail for a period not to exceed 90 days.

[1917 c. 381 ss. 1, 2] (10485, 10486)

623.20 POOL-SELLING AND BOOK-MAKING. Every person who shall keep or occupy any room, building, or any part thereof, any booth, tent, or part thereof, or any place upon any public or private grounds, with apparatus, books, blackboard, or other device, appliance, or scheme of whatever kind or description, for the purpose of making, recording, or registering bets or wagers, buying or selling pools or combinations of any sort, upon the results of any trial or contest of skill, speed, or power of endurance of man, beast, bird, or machine, or upon the result

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of any game or competition, any nomination or appointment or election to or for any office or place whatsoever, political or otherwise; upon any event or happening, or pretended event or happening, whether occurring, to occur, or advertised to occur, in or out of the state; every person who shall make, record, or register any such bet or wager, or buy or sell any such pools or combinations upon any such result, event, or happening; every owner, lessee, or occupant of any such building, or part thereof, or place in the state, who shall knowingly permit the same to be used or occupied for any of the aforesaid purposes; every person who shall therein keep, exhibit, or employ, or permit to be kept, exhibited, or employed, any books, blackboards, charts, cards, or any other device, apparatus, or scheme whatever for the purpose of displaying or advertising any such game, competition, race, or political or other contest or event on which bets are to be made, or pools bought or sold, or for the purpose of making, registering, or recording any such bet or wager, or for the buying or selling of any such pool or combination; and every person who shall become the custodian or depository, for hire, reward, commission, or compensation in any manner, of any money, property, pools, or things of value whatsoever, in any manner staked, wagered, bet, or pledged upon any such event or result as aforesaid, shall be guilty of a felony, and punished by imprisonment in the state prison for not less than 30 days, nor more than one year, or by a fine of not less than \$1,000, or by both.

[R. L. s. 5170] (10487)

623.21 BUCKET SHOP; CRIME, WHEN COMPLETE. A bucket shop, within the meaning of sections 623.21 to 623.24, is defined to be an office, store, or other place wherein the proprietor or keeper thereof, either in his or its own behalf, or as the agent or correspondent of any other person, corporation, association, or copartnership within or without the state, conducts the business of making, or offering to make, contracts, agreements, trades, or transactions respecting the purchase or sale, or purchase and sale, of any stocks, grain, provisions, or other commodity, or personal property, wherein both parties thereto, or such proprietor or keeper, contemplates or intends that such contracts, agreements, trades, or transactions shall be, or may be, closed, adjusted, or settled, according to, or upon the basis of the public market quotations, of prices made on any board of trade or exchange, upon which the commodities or securities referred to in the contracts, agreements, trades, or transactions are dealt in, and without a bona fide transaction on such board of trade or exchange; or wherein both parties, or such keeper or proprietor, shall contemplate or intend that such contracts, agreements, trades, or transactions shall be, or may be, deemed closed or terminated when the public market quotation of prices made on such board of trade or exchange, for the articles or securities named in the contracts, agreements, trades, or transactions, shall reach a certain figure; and also any office, store, or other place, where the keeper or proprietor thereof, either in his or its behalf, or as agent, as aforesaid, therein makes or offers to make, with others, contracts, trades, or transactions for the purchase or sale of any such commodity, wherein the parties thereto do not contemplate the actual or bona fide receipt or delivery of such property, but do contemplate a settlement thereof based upon differences in the prices at which the property is, or is claimed to be bought and sold. Such crime shall be complete against any proprietor or keeper thus offering to make any such contracts, trades, or transactions, whether such offer is accepted or not. It is the intention of sections 623.21 to 623.24 to prevent, punish, and prohibit, within this state, the business now engaged in and conducted in places commonly known and designated as "bucket shops," by persons, corporations, associations, or copartnerships, who or which ostensibly carry on the business or occupation of commission merchants or brokers in grain, provisions, petroleum, or stocks and bonds.

[1905 c. 133 s. 1] (10488)

623.22 BUCKET SHOP PROHIBITED; PENALTIES. It shall be unlawful for any corporation, association, copartnership, or person to keep or cause to be kept, within this state, any bucket shop; and any corporation or person, whether acting individually or as a member, or as an officer, agent, or employee of any corporation, association, or copartnership, who shall keep, or assist in the keeping of any bucket shop, within this state, shall upon conviction thereof be fined in a sum of not less than \$500 and not more than \$2,000 and be imprisoned in the county jail until such fine is paid for not exceeding one year; and any person who shall

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be guilty of a second offense under this statute, in addition to the penalty above prescribed, shall upon conviction be imprisoned in the county jail for a period of not less than 30 and not more than 90 days, and, if a corporation, shall be liable to forfeiture of its charter. The continuance of such establishment after the first offense shall be deemed a second offense.

[1905 c. 133 s. 2] (10489)

623.23 ACCESSORIES. Any corporation, association, copartnership, or person who shall communicate, receive, exhibit or display, in any manner, any statements or quotations of the prices of any property mentioned in section 623.21, with a view to any transaction, prohibited, shall be deemed an accessory; and, upon conviction thereof, fined and punished the same as the principal, and as provided in section 623.22.

[1905 c. 133 s. 3] (10490)

623.24 DUTY OF COMMISSION MERCHANTS AND BROKERS. It shall be the duty of every commission merchant, copartnership, association, corporation, or broker, doing business as such, to furnish to every customer or principal for whom such commission merchant, broker, copartnership, corporation, or association has executed any order, for the actual purchase or sale of any of the commodities before mentioned, either for immediate or future delivery, a written statement containing the names of the parties from whom such property was bought, or to whom it shall have been sold, as the case may be, the time when, the place where, and the price at which the same was either bought or sold; and, in case such commission merchant, broker, copartnership, corporation, or association fails to properly furnish such statement, the fact of such failure shall be prima facie evidence that such property was not sold or bought in a legitimate manner.

[1905 c. 133 s. 4] (10491)

623.25 GIFT ENTERPRISES; MERCHANDISE PREMIUMS. Subdivision 1. **Prohibition.** All gift enterprises, as herein defined, and all trade practices carried on in connection therewith, are hereby prohibited and declared to be unlawful.

Subd. 2. **Not to depend on any contingency.** When two or more persons enter into any contract, arrangement, or scheme whereby, for the purpose of inducing the public to purchase merchandise or other property of one of the parties to the scheme, any other party thereto, for a valuable consideration and as a part of the scheme, advertises and induces or attempts to induce the public to believe that he will give gifts, premiums, or prizes to persons purchasing such merchandise or other property of such other party to the scheme, and that stamps or tickets will be given by the seller in connection with such sales entitling the purchaser of such property to receive such prizes or gifts from any other party to the scheme, the parties so undertaking and carrying out such scheme shall be deemed to be engaged in a "gift enterprise," unless the articles or things so promised to be given as gifts or premiums with or on account of such purchases, shall be definitely described on such stamp or ticket and the character and value of such promised prize or gift fully made known to the purchaser of such merchandise or other property at the time of the sale thereof, and unless the right of the holder of such stamp or ticket to the gift or premium so promised becomes absolute upon the completion upon the delivery thereof without the holder being required to collect any specified number of other similar stamps or tickets and to present them for redemption together, and the right of the holder of such stamp or ticket to the prize or gift so offered is absolute, and does not depend on any chance uncertainty or contingency whatever.

Subd. 3. **Person engaging in; or advertising same; penalty.** Any person who engages in a gift enterprise such as is defined in this section or who advertises the same in any manner, or who in furtherance of such scheme, as an inducement to purchasers issues in connection with the sale of any merchandise or other property any such ticket or stamp purporting to be redeemable in some indefinite article not described thereon, only when presented with a collection of other stamps or tickets of like kind, by some other party to such scheme, and which, unless presented in the manner aforesaid, is not redeemable at all, shall each and all be guilty of a misdemeanor.

Subd. 4. **Person.** The word "person," as used in this section, may in proper cases, in order to make the intent and meaning of the law effective, be construed to mean "firm" or "corporation."

[1909 c 142 s 1, 2, 3, 4] (10492, 10493, 10494, 10495)

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623.26 GIFT ENTERPRISES; PUBLICATIONS. Subdivision 1. **Prohibition.** All gift enterprises, as herein defined, and all trade practices carried on in connection therewith are hereby prohibited and declared to be unlawful.

Subd. 2. **Gift enterprises for newspapers, magazines, or periodicals.** When any person, for the purpose of inducing the public to subscribe for or buy any newspaper, magazine, or periodical, for a valuable consideration, offers and advertises to give a premium, gift, or prize, or offers and advertises any contest, whereby a premium, gift, or prize is to be given to any person procuring such sale or subscription, the person so undertaking and carrying on such scheme or contest and offering such gift, premium, or prize shall be deemed to be engaged in a "gift enterprise," unless such premium, gift, or prize is absolute and does not depend upon any chance or contingency whatever.

Subd. 3. **Person.** The word "person," as used in this section, may, in order to make the intent and meaning of this law effective, be construed to mean "firm" or "corporation."

Subd. 4. **Penalty.** Any person who engages in a gift enterprise such as is defined in this section, or who offers or advertises the same in any manner, shall be guilty of a misdemeanor.

[1913 c 374 s 1, 2, 3, 4] (10496, 10497, 10498, 10499)