

# MINNESOTA STATUTES 1975 SUPPLEMENT

## FACE AMOUNT CERTIFICATE INVESTMENT

54.27

to reduce or withdraw in any way any portion of the contributed capital and appropriated reserves without prior written approval of the commissioner of banks.

[1975 c 373 s 2]

### CHAPTER 54. FACE AMOUNT CERTIFICATE INVESTMENT COMPANIES

Sec.		Sec.	
54.26	Supervision by commissioner.	54.293	Repealed.
54.27	Examination of books and accounts by the commissioner.	54.294	Annual examination; informational reports; cost of examination. [New]
54.28	Repealed.	54.295	Declaration of credit. [New]
54.29	Repealed.	54.296	Rules and regulations. [New]
		54.297	Application for receiver. [New]

#### 54.26 Supervision by commissioner.

Face amount certificate investment companies as defined by the Federal Investment Company Act of 1940, organized and doing business under the laws of this state, or having their principal place of business within this state, and other investment companies having face amount certificates outstanding, which companies are not subject to Section 28 of the Investment Company Act of 1940, shall be under the supervision of the commissioner of banks.

[1975 c 166 s 1]

#### 54.27 Examination of books and accounts by the commissioner.

Subdivision 1. The commissioner, with reference to face amount certificate investment companies, as defined in Minnesota Statutes 1974, Section 54.26, shall have the supervisory power to make periodic examinations of the books and accounts of such companies for the purpose of determining

(a) that face amount certificate investment companies maintain certificate reserves and deposits of qualified assets in accordance with the requirements of the Federal Investment Company Act of 1940 and the rules and regulations thereunder, and that other investment companies described in Minnesota Statutes 1974, Section 54.26 maintain certificate reserves and deposits of qualified assets as if they were subject to the Federal Investment Company Act of 1940 and rules and regulations thereunder so far as the same may be appropriate and except as hereinafter provided, and

(b) that the accounting principles of all face amount certificate companies conform to generally accepted accounting principles for face amount certificate companies which are promulgated by the United States Securities and Exchange Commission. The accounting principles for investment companies shall include, where appropriate, any statements of investments or assets in a manner which relates historical cost of such investments or assets or other information required by the United States Securities and Exchange Commission. Assets maintained on deposit by companies not subject to Section 28(c) of the Investment Company Act of 1940 shall consist of first mortgages and first deeds of trust on improved real estate, government bonds, state bonds, municipal bonds, obligations issued or guaranteed in whole or in part by the United States government or by a government chartered institution or agency, assets of the kind which life insurance companies were permitted, by the laws of the state of New York as of January 1, 1949, to acquire or hold, and such other assets as the commissioner may by rule or order approve for such purpose. The commissioner shall, in recognizing approved assets in rule making, give consideration to assets of the kind which life insurance companies were permitted to invest in or hold under the provisions of the code of the District of Columbia.

Subd. 2. Investments required to be maintained on deposit by a company subject to section 54.26 shall be maintained within this state, provided, however, that where qualified investments are maintained on deposit by such company in respect of its liabilities under certificates issued to or held by residents of any state as required by the statutes of such state or any official or agency

# MINNESOTA STATUTES 1975 SUPPLEMENT

## **54.27 FACE AMOUNT CERTIFICATE INVESTMENT**

thereof, or are maintained outside of this state pursuant to any requirement of the federal government under the Investment Company Act of 1940, or otherwise, the amount so on deposit shall be deducted from the amount of qualified investments required to be maintained on deposit within this state.

[1975 c 166 s 2]

**54.28** [Repealed, 1975 c 166 s 8]

**54.29** [Repealed, 1975 c 166 s 8]

**54.293** [Repealed, 1975 c 166 s 8]

### **54.294 Annual examination; informational reports; cost of examination.**

Subdivision 1. Examination of the face amount certificate companies described in Minnesota Statutes 1974, Section 54.26, shall be carried out on an annual basis by the commissioner. In conducting such examination, the commissioner may utilize reports which have been audited and attested to by independent certified public accountants. The procedures employed by the independent certified public accountants shall conform to generally accepted auditing standards. Each face amount certificate investment company shall file with the commissioner copies of its prospectuses, semi-annual and annual reports to shareholders, S-1 registration statements and amendments thereto, and annual reports to the United States Securities and Exchange Commission, all as filed pursuant to the requirements of the Securities Act of 1933, as amended and the rules and regulations adopted pursuant thereto, the Securities Exchange Act of 1934, as amended and the rules and regulations adopted pursuant thereto, and the Investment Company Act of 1940, as amended and the rules and regulations adopted pursuant thereto. The commissioner may accept as filed copies of the foregoing material previously filed with the commissioner of securities of the department of commerce. Other face amount certificate investment companies described in Minnesota Statutes 1974, Section 54.26, shall file with the commissioner copies of their semi-annual and annual reports, which annual reports have been audited and attested to by independent certified public accountants as to assets maintained on deposit and the value thereof, and semi-annual and annual reports, which annual reports have been certified by independent certified public accountants, as to certificate liabilities.

Subd. 2. Face amount certificate investment companies subject to the supervision of the commissioner of banks shall pay to the commissioner of banks the actual necessary expenses incurred by the commissioner of banks in the performance of his duties and the exercise of his powers of examination, including all salaries, wages, and expenses of examiners employed by the commissioner to make examinations provided for by law. In addition, such companies shall be assessed and shall pay examination fees in accordance with the provisions of section 46.131.

[1975 c 166 s 3]

### **54.295 Declaration of credit.**

When the amount of any additional or other credit, which under the terms of an outstanding face amount certificate issued by a company described in section 54.26, is payable solely in the discretion of the board of directors of the issuer, is computed on a basis which is reduced because of any loan outstanding from the issuer to the certificate holder during the period for which the credit is declared, the reduction in the amount of the credit paid to the certificate holder shall not constitute interest paid by the borrowing certificate holder or be considered in any way for the purposes of any law pertaining to the declaration or distribution of corporate dividends or prescribing or limiting interest rates upon loans.

[1975 c 166 s 4]

### **54.296 Rules and regulations.**

The commissioner may promulgate such rules and regulations as are reasonably necessary to carry out and make effective the provisions and purposes

# MINNESOTA STATUTES 1975 SUPPLEMENT

## CERTAIN INVESTMENT COMPANIES 59.01

of this chapter pursuant to chapter 15.

[1975 c 166 s 5]

### 54.297 Application for receiver.

When in the judgment of the commissioner grounds for liquidation as set forth in Minnesota Statutes 1974, Section 49.04, exist or are about to occur, the commissioner may make application to the district court in which a company defined in Minnesota Statutes 1974, Section 54.26, is situated for the appointment of a receiver or conservator.

[1975 c 166 s 6]

## CHAPTER 56. SMALL LOANS

Sec.  
56.02 Application fee.

Sec.  
56.08 Annual license fee.

### 56.02 Application fee.

Application for license shall be in writing, under oath, and in the form prescribed by the commissioner, and contain the name and the address, both of the residence and place of business, of the applicant and, if the applicant is a copartnership or association, of every member thereof, and if a corporation, of each officer and director thereof; also the county and municipality, with street and number, if any, where the business is to be conducted, and such further information as the commissioner may require. The applicant at the time of making application, shall pay to the commissioner the sum of \$250 as a fee for investigating the application, and the additional sum of \$150 as an annual license fee for a period terminating on the last day of the current calendar year; provided, that if the application is filed after June 30 in any year the additional sum shall be only \$75. In addition to the annual license fee, every licensee hereunder shall pay to the commissioner the actual costs of each examination, as provided for in section 56.10. All moneys collected by the commissioner under this chapter shall be turned over by him to the state treasurer and credited by the treasurer to the general fund of the state.

Every applicant shall also prove, in form satisfactory to the commissioner, that he or it has available for the operation of the business at the location specified in the application, liquid assets of at least \$25,000.

[1975 c 379 s 1]

### 56.08 Annual license fee.

Every licensee shall, on or before the 20th day of each December, pay to the commissioner the sum of \$150 as an annual license fee for the next succeeding calendar year.

[1975 c 379 s 2]

## CHAPTER 59. CERTAIN INVESTMENT COMPANIES

Sec.  
59.01 Repealed.  
59.02 Repealed.  
59.03 Repealed.  
59.04 Repealed.  
59.05 Repealed.  
59.06 Repealed.  
59.07 Repealed.  
59.08 Repealed.  
59.09 Repealed.  
59.10 Repealed.  
59.11 Repealed.  
59.12 Repealed.

Sec.  
59.13 Repealed.  
59.14 Repealed.  
59.15 Repealed.  
59.16 Repealed.  
59.17 Repealed.  
59.18 Repealed.  
59.19 Repealed.  
59.20 Repealed.  
59.21 Repealed.  
59.22 Repealed.  
59.23 Repealed.  
59.24 Repealed.  
59.25 Repealed.

59.01 [Repealed, 1975 c 166 s 8]