

# DOMESTIC RELATIONS AND PERSONS

## CHAPTER 135

H. B. No. 875  
(Burk)

### UNIFORM SECURITIES OWNERSHIP BY MINORS ACT

#### AN ACT

To create and enact chapter 14-10.1 of the North Dakota Century Code, the Uniform Securities Ownership by Minors Act, relating to the ownership and transfer of securities by or in the name of a minor, and prescribing the rights and duties of a person dealing with such securities.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1.) Chapter 14-10.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

**14-10.1-01. Definitions.)** In this chapter, unless the context or subject matter otherwise requires:

1. "Bank" means any association, firm, or corporation engaged in the business of banking, including a national banking association, savings bank, industrial bank or trust company;
2. "Broker" means a person, including a bank, lawfully engaged in the business of effecting transactions in securities for the account of others and includes a broker lawfully engaged in buying and selling securities for his own account;
3. "Issuer" means a person who places or authorizes the placing of his name on a security, other than as a transfer agent, to evidence that it represents a share, participation or other interest in his property or in an enterprise or to evidence his duty to perform an obligation evidenced by the security, or who becomes responsible for or in place of any such person;
4. "Person" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, or any other legal or commercial entity;
5. "Security" includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of in-

terest or participation in an oil, gas, or mining title or lease or in payment out of production under such a title or lease, collateral trust certificate, transferable share, voting trust certificate or, in general, any interest or instrument commonly known as a security, or any certificate or interest or participation in, any temporary or interim certificate, receipt or certificate of deposit for, or any warrant or right to subscribe to or purchase, any of the foregoing;

6. "Third-party" means a person other than a bank, broker, transfer agent, or issuer who with respect to a security held by a minor effects a transaction otherwise than directly with the minor;
7. "Transfer agent" means a person who acts as authenticating trustee, transfer agent, registrar, or other agent for an issuer in the registration of transfers of securities, in the issue of new securities, or in the cancellation of surrendered securities.

**14-10.1-02. No Liability Without Notice or Knowledge of Minority.)** A bank, broker, issuer, third-party, or transfer agent incurs no liability by reason of his treating a minor as having capacity to transfer a security, to receive or to empower others to receive dividends, interest, principal, or other payments or distributions, to vote or give consent in person or by proxy, or to make elections or exercise rights relating to the security, unless prior to acting in the transaction the bank, broker, issuer, third-party, or transfer agent had received written notice in the office acting in the transaction that the specific security is held by a minor or unless an individual conducting the transaction for the bank, broker, issuer, third-party, or transfer agent had actual knowledge of the minority of the holder of the security. Except as otherwise provided in this chapter, such a bank, broker, issuer, third-party, or transfer agent may assume without inquiry that the holder of a security is not a minor.

**14-10.1-03. When Minor May Disaffirm or Avoid Transaction.)** A minor, who has transferred a security; received or empowered others to receive dividends, interest, principal, or other payments or distributions; voted or given consent in person or by proxy; or made an election or exercised rights relating to the security, has no right thereafter, as against a bank, broker, issuer, third-party, or transfer agent to disaffirm or avoid the transaction, unless prior to acting in the transaction the bank, broker, issuer, third-party, or transfer agent against whom the transaction is sought to be disaffirmed or avoided had received notice in the office acting in the transaction that the specific security is held by a minor or unless

an individual conducting the transaction for the bank, broker, issuer, third-party, or transfer agent had actual knowledge of the minority of the holder.

**14-10.1-04. Uniformity.)** This chapter shall be so construed as to effectuate its general purpose to make uniform the laws of those state which enact it.

**14-10.1-05. Citation of Chapter.)** This chapter may be cited as the Uniform Securities Ownership by Minors Act.

Approved March 14, 1961.

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## CHAPTER 136

H. B. No. 813

(Haugland, Poling, Fossum, Powers, Kelly)

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### ADOPTION PROCEEDINGS

#### AN ACT

To amend and reenact section 14-11-10 of the North Dakota Century Code, relating to hearings in adoption proceedings and service of notice thereof.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

**§ 1. Amendment.)** Section 14-11-10 of the North Dakota Code is hereby amended and reenacted to read as follows:

**14-11-10. Hearing in Adoption Proceedings and Service of Notice Thereof.)** The court shall appoint a time and place for hearing the petition and shall allow reasonable time not exceeding forty days for the investigation required by section 14-11-09. Notice of the hearing shall be given to the director of the division of child welfare at least twenty days before the hearing in such manner as the court may direct and proof thereof shall be filed with the clerk of the court prior to the hearing on said petition. Whenever a minor child to be adopted has a guardian, notice of the hearing shall be given to such guardian. When the parents of any minor child are dead or have abandoned the child and cannot be found, and the child has no duly appointed guardian in the state, notice of the hearing on the petition for adoption shall be given to the person who is caring for or has custody of the child. Notice must be given to any parent not consenting, whose parental rights have not been terminated, including a parent who has lost custody of the child through divorce proceedings, a parent who is insane or otherwise incapable of giving consent, and

to the father of an illegitimate child who has acknowledged paternity or against whom paternity has been adjudicated, unless the father has disclaimed in writing all parental rights with reference to the child. Such notice shall be given in such a manner as the court may direct. In the event that the court shall require notice to be given by publication, such notice shall be published once a week for three successive weeks, the last publication to be at least ten days prior to the day set for the hearing. If the hearing cannot be had at the time appointed it shall be adjourned and the court may upon its own motion or upon motion of any interested person fix another time for the hearing and upon such hearing may grant or deny the petition or grant a further adjournment. The petitioner and the person to be adopted, if over ten years of age, shall attend the hearing unless the court otherwise orders.

Approved March 7, 1961.