

---

# SECURITIES

---

## CHAPTER 219

(H. B. No. 230—Twichell.)

---

### DEFINING SECURITIES—REQUIREMENTS STATE SECURITIES COMMISSION

An Act amending and re-enacting Sections 5235a2 and 5235a3 of the Supplement to the Compiled Laws of 1913, as amended by Chapter 255, Session Laws of 1927, re-defining the term "securities," and their method of sale or manner of offering financial interest therein to the public.

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

§ I. AMENDMENT.] Section 5235a2 of the Supplement to the Compiled Laws of 1913, as amended by Chapter 255, Session Laws of 1927, is hereby amended and re-enacted to read as follows:

§ 5235a2. The term "securities" as used in this act shall be taken to mean stock certificates, shares, bonds, debentures, certificates of participation, contracts, service contracts, preorganization certificates and subscriptions, agreements to incorporate or mutual incorporation contracts involving more than twenty-five proposed incorporators, certificates evidencing shares of or interest in trust estates or associations, profit sharing agreements or certificates; or any certificate contract, or instrument whatsoever representing or constituting evidence of, or secured by, title to, or interest in, or any lien or charge upon the capital or any property or assets of the issuer thereof, or any oil, gas or mining lease; and interest, units or shares in any such lease or leases; contracts or bonds for the sale and conveyance of land on deferred payments or installment plan, or other instruments in the nature thereof by whatsoever name they may be known or called; promissory notes of any individual, partnership, corporation or association of any kind, the proceeds from the sale of which are to be used, or represented to the prospective purchasers of such promissory notes to be used in capitalizing, furthering or promoting any manufacturing, selling, distributing, industrial, mercantile, mining, drilling for oil or gas, or development enterprise of any kind or nature whatsoever, where said promissory notes so issued and sold are to be paid by such enterprise or where said promissory notes are accompanied by any oral or written promise or representation that the purchasers of said promissory notes shall share in any of the profits of said enterprise, or benefit from the success of said enterprise either directly or indirectly.

§ 2. AMENDMENT.] Section 5235a3 of the Supplement to the Compiled Laws of 1913 as amended by Chapter 255 of the Session Laws of 1927 is hereby amended and re-enacted to read as follows:

§ 5235a3. It shall be hereafter unlawful for any person, co-partnership, association or corporation, hereinafter called the investment company, either as principal or through agents, to sell, or offer for sale, or by means of any advertisement, circulars, or prospectus, or by any other form of public offering, to attempt to promote the sale of any securities, or induce any person, firm, association, or corporation, to become financially interested in any securities in this state, unless there first shall have been filed with the securities commission: (1) A copy of the securities so to be promoted: (2) A statement in substantial detail of the assets and liabilities of the person or company making and issuing such securities and of any person or company guaranteeing the same, including specifically the total amount of such securities and of any securities prior thereto in interest or lien, authorized or issued by any such person or company; (3) If such securities are secured by mortgage or other lien, a copy of such mortgage or of the instrument creating such lien, and a competent appraisal or valuation of the property covered thereby, with a specific statement of all prior liens thereon, if any: (4) A full statement of facts showing the gross and net earnings, actual or estimated, of any person, or company making and issuing or guaranteeing such securities, or of any property covered by any such mortgage or liens: (5) All knowledge or information in the possession of such investment company relative to the character or value of such securities, or of the property or earning power of the person or company making and issuing or guaranteeing the same; (6) A copy of any general or public prospectus or advertising matter which is to be used in connection with such promotion, and no such prospectus or advertising matter shall be used unless the same has been filed hereunder; (7) The names, addresses and selling territory in this state of any agents by or through whom any such securities are to be sold, including a statement giving the qualifications, occupations and business experience of each of such agents for a period of five years prior to the filing; the name and address of each employer, the period of employment and reason for resignation or discharge, and no such agents shall be employed unless such statement with respect to them has been filed hereunder, and that shall have been paid to the commission a registration fee of three dollars (\$3.00) for each such agent. The payment of such fee shall be payment in full of all fees for registration of such agent from January 1st to January 1st of the following year: (8) The name and address of such promoter, including the names and addresses of all partners, if the Investment Company be a partnership, and the names and addresses of the directors or

trustees, and of any person owning ten per centum, or more, of the capital stock, if the promoter be a corporation or association: (9) A statement showing in detail the plan on which the business or enterprise is to be transacted; (10) The articles of co-partnership or association, and all other papers pertaining to its organization, if the securities be insured or guaranteed by a co-partnership or unincorporated association; (11) A copy of its charter and by-laws if the securities be issued or guaranteed by a corporation; (12) A filing fee of one-twentieth of one per cent of the amount of the securities authorized to be sold in this state, but in no case shall the filing fee be less than twenty-five dollars (\$25.00). In case of denial of the application, all of that part of fees, above the twenty-five dollars (\$25.00) will be returned to the applicant.

Approved March 11, 1929.

---

## SEEDS

---

### CHAPTER 220

(H. B. No. 45—Thatcher.)

---

#### DISTRIBUTION SEEDLINGS BY STATE FORESTER

An Act to amend and re-enact Section 1679c of the Compiled Laws of North Dakota for the year 1913.

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

§ 1. AMENDMENT.] That Section 1679c of the Compiled Laws of North Dakota for the year 1913 be amended and re-enacted to read as follows:

§ 1679c. DISTRIBUTION.] Seeds and seedlings from such nursery shall be distributed to citizens and land owners of this state upon payment of the cost of production or collection, as in the case of tree seeds, and the cost of transportation from the nursery; the charge for trees not to exceed one cent each. As a condition precedent to such distribution the citizen or land owner making application therefor must agree to plant the seeds and seedlings distributed under the direction of the state forester and in conformity with his instructions.

§ 2. EMERGENCY.] This act is hereby declared to be an emergency measure, and shall be in full force and effect from and after its passage and approval.

Approved February 9, 1929.