

any unsurveyed and unattached islands in inland lakes north of the township line between townships thirty-three and thirty-four north, and granted to the state by an act of congress, approved August 22, 1912, entitled "An act granting unsurveyed and unattached islands to the state of Wisconsin for forestry purposes."

SECTION 2. This act shall take effect upon passage and publication.

Approved June 25, 1925.

No. 36, S.]

[Published June 29, 1925.

### CHAPTER 381.

AN ACT to revise sections 183.25 to 183.45 of the statutes, relating to securities, and commonly known as the "Securities Law."

*The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:*

SECTION 1. A new chapter of the Wisconsin Statutes is created to be numbered and entitled:

### CHAPTER 189.

#### DOMESTIC CORPORATIONS.

##### Securities Law.

- 189.01 Securities law.
- 189.02 Definitions.
- 189.03 Securities not affected; fraud prevented.
- 189.04 Securities classified.
- 189.05 Class A.
- 189.06 Class B.
- 189.07 Limitation of sales; application for permit.
- 189.08 Sale of securities prior to permit.
- 189.09 Sale of securities issued before August, 1919.
- 189.10 Proceedings; granting of permits.
- 189.11 Commission's powers.
- 189.12 Brokers and agents must be certified.
- 189.13 Certification of brokers and agents.
- 189.14 Revocation of broker's and agent's certificate.
- 189.15 Advertising securities regulated.
- 189.16 Reports of sales; suspension of permits; decrease of holdings<sup>s</sup>.
- 189.17 Contracts in writing; contents.
- 189.18 Promoters are trustees; funds to be deposited.
- 189.19 Acts of commission prima facie lawful.
- 189.20 Decoys forbidden.
- 189.21 Appeal from commission.

- 189.22 Illegal sales voidable, vendor's liability, limitation of action.
- 189.23 Illegal sales punishable.
- 189.24 Attorney-general and district attorneys, when to act.
- 189.25 Service on nonresidents.
- 189.26 Filing fee.
- 189.27 Orders, findings and certificates, form; evidence.
- 189.28 Subscriptions by promoters not prohibited.
- 189.29 Commission may expose fraudulent offerings.
- 189.30 Interstate commerce.
- 189.31 Validation of stock issues.

SECTION 2. A new section of the statutes is created to be numbered and to read:

189.01 SECURITIES LAW. The provisions of this chapter are commonly known, and this chapter may be referred to and cited as the "Securities Law."

SECTION 3. Section 183.25 and lines 9 to 12 of subsection (2) of section 183.26 are consolidated, renumbered and revised to read:

189.02 DEFINITIONS. As used in this chapter, unless the context or subject matter otherwise requires:

(1) "Agent" includes every natural person who in this state for compensation represents or acts for another with authority in the sale of any security except securities exempted by subsection (1) of section 189.03.

(2) "Broker" includes every person and company, not an agent, who in this state, for compensation, sells or accepts orders for purchase of any security issued by others except securities exempted by subsection (1) of section 189.03 or who underwrites and sells or engages either wholly or in part in the business of purchasing and selling any such securities.

(3) "Buildings" include all elevators, cranes, wirings, furnaces and other equipment so built into the structure as to constitute, in fact, a part thereof, and excludes all machinery and other equipment which may be removed without serious injury to the building.

(4) "Commission" means the railroad commission of Wisconsin.

(5) "Company" includes all domestic and foreign private corporations, associations, joint stock companies, partnerships, trusts, common law companies, syndicates, pools, or any other form of organization or association organized or proposed.

(6) "Sale" or "Sell" includes every disposition, offer, negotiation, agreement or attempt to dispose of a security or interest

in a security for value, and every solicitation of a subscription or order for the purchase and every exchange for property. Securities given or delivered with or as a bonus on account of any purchase of securities or of any other thing are conclusively presumed to constitute a part of the subject of such purchase and to have been sold for value.

(7) "Security" or "Securities" include all bonds, stocks, certificates of interest in a profit-sharing agreement, notes or other evidences of debt, or of interest in or lien upon any or all of the property or profits of a company; and all interest in the profits of a venture and the notes or other evidences of debts of an individual; and any other instrument commonly known as a security.

SECTION 4. Subsection (1) of section 183.26 is renumbered 189.03 and amended to read:

189.03 \* \* \* SECURITIES NOT AFFECTED; FRAUD PREVENTED. \* \* \* Except as hereinafter provided \* \* \* *this chapter* shall not apply to:

(1) \* \* \* Securities issued by or the principal and interest of which are guaranteed by the United States or any foreign government, or by any state or territory thereof, or by any county, city, township, village, district, or other political or taxing subdivision of any state or territory of the United States or any foreign government;

(2) \* \* \* Commercial paper or evidence of \* \* \* debt \* \* \* if the entire issue matures not more than one year from the date thereof and bears a date not later than the date of sale;

(3) \* \* \* Securities of corporations operating railroads or public utilities, the issue of whose securities is regulated by the commission, or by a railroad or public service commission, board or similar body of the United States or of the Dominion of Canada, or of any state or territory of \* \* \* *either*, and securities senior thereto; and equipment securities evidencing rights to receive partial payments agreed to be made under any contract of leasing or conditional sale of rolling stock for use of companies operating steam railroads;

(4) \* \* \* Securities *officially* listed upon the New York, Boston or Chicago stock exchange, \* \* \* and securities senior to any securities so listed;

(5) \* \* \* Securities issued by any bank or trust company or building and loan association or land mortgage association or other corporation, \* \* \* whose business is \* \* \* subject to the control and supervision of the banking commissioner; or securities issued by any \* \* \* corporation \* \* \* organized and existing by virtue of any act of congress of the United States, except laws enacted for the District of Columbia; the sale of securities to any such corporation or association or to any broker duly authorized by the commission; \* \* \*

(6) \* \* \* The securities of any *domestic* corporation organized \* \* \* without capital stock or exclusively for educational, fraternal, benevolent, charitable or reformatory purposes; or of companies organized for conducting county fairs which by statute of this state are entitled to state or county aid;

(7) \* \* \* The sale of notes secured by mortgages \* \* \* where the entire mortgage is sold and transferred with the note; or the sale of bonds or notes secured by mortgage \* \* \* on Wisconsin real estate, where the total amount \* \* \* secured by such lien and liens prior thereto, does not exceed \* \* \* fifteen thousand dollars and does not exceed sixty per cent of the then fair market value of such real estate;

(8) \* \* \* Notes or bonds which are equally and proportionately secured without preference or priority of one over another, \* \* \* and which by the terms of the instrument creating the lien shall continue to be so secured by the deposit with a bank or trust company organized under the laws of \* \* \* any \* \* \* state \* \* \* of the United States, of any of the securities specified in \* \* \* *subsection (1)*, or of first mortgage bonds of corporations operating railroads or public utilities, the issue of whose securities is regulated as provided in \* \* \* *subsection (3)*, such deposited securities, if of the class described in \* \* \* *subsection (1)* hereof, having an aggregate par value of not less than one hundred ten per cent of the par value of the securities thereby secured, and if first mortgage bonds of corporations operating railroad or public utilities as described in \* \* \* *subsection (3)* hereof, having an aggregate par value of not less than one hundred twenty-five per cent of the par value of the securities thereby secured;

(9) \* \* \* The distribution by a corporation of \* \* \* a stock dividend paid out of surplus;

(10) \* \* \* The sale of any securities by the owner \* \* \* for the owner's account, exclusively, such sale not being made in the course of continued or repeated transactions of a similar nature, \* \* \* and such owner not being the underwriter of such securities;

(11) \* \* \* Any judicial, executor's, administrator's or guardian's sale or to any sale by a receiver or trustee in insolvency or bankruptcy;

(12) \* \* \* The sale, by a pledgee \* \* \* in good faith and not for the purpose of avoiding the provisions of this \* \* \* chapter and in the ordinary course of business, of the \* \* \* security pledged \* \* \* for a bona fide debt;

(13) \* \* \* The sale by a company of its stock for a delinquent assessment, \* \* \* according to law;

(14) \* \* \* Securities issued by \* \* \* a corporation organized under \* \* \* chapter 185;

(15) \* \* \* The sale by any domestic corporation \* \* \* of stock of its \* \* \* issue if the total number of holders of \* \* \* its stock, \* \* \* after that to be issued is sold *does* \* \* \* not exceed twenty-five, \* \* \* or the sale by such corporation of any of its securities if the total number of holders of \* \* \* its securities, after that to be offered is sold, \* \* \* *does* not exceed twenty-five, \* \* \* and, in either event, the total organization and promotion expenses in connection with such issue, exclusive of statutory fees and inclusive of commissions on the sale of such securities, will not exceed \* \* \* two per cent of the selling price thereof;

(16) \* \* \* The sale of an interest in any partnership, pool or other company, not a corporation, the total membership of which does not and will not after such sale exceed ten \* \* \* and the organization expenses of which do not or will not exceed \* \* \* two per cent of the total invested capital of such company;

(17) \* \* \* The issue of securities by a company to \* \* \* its security holders, or creditors, \* \* \* in the process of a bona fide reorganization of \* \* \* the company made in good faith in exchange for \* \* \* the securities of

such \* \* \* holders or claims of such creditors, or both, if such security holders or creditors do not give or promise \* \* \* and are not obligated to give any consideration for the securities so issued other than \* \* \* the securities of or claims against said company then held or owned by them;

(18) \* \* \* If it shall appear \* \* \* that the sale of any \* \* \* securities described in \* \* \* subsections (2), (7), (8), (10), (15) and (17), may be unfair or inequitable or may work a fraud on the purchaser thereof, \* \* \* the commission shall require the person issuing or selling the same to file a verified statement with the commission giving such information concerning the assets, liabilities, earnings, plan of business, contracts, organization and promotion expenses, articles of association or other organization agreement, and any other facts relating to the security and the person or company issuing the same as the commission may deem necessary to determine whether said securities may be sold; and the commission may make or have made such investigation as it may deem necessary, and require the person or company issuing or selling such securities to pay the expense thereof, and may, pending the furnishing of such information or the making of such investigation, \* \* \* by order \* \* \* prohibit \* \* \* the sale of such securities, and thereafter no such securities shall be sold until the revocation of such order. \* \* \* The person issuing or selling such security shall be entitled to a public hearing before the commission or an agent thereof, \* \* \* upon written request. \* \* \* If the commission shall determine that such securities or the method of selling the same is unfair or inequitable, or will work a fraud on the purchaser, or that such sale is for the purpose of evading \* \* \* this \* \* \* chapter, it may either prohibit the sale thereof in this state or may fix the terms and conditions on which such sale may be made. \* \* \* If it appear to the commission that misrepresentation is being made, or unfair or fraudulent practices are being resorted to, in the sale of any of the securities described in \* \* \* this section, it shall require the person or company issuing or selling the same to file such information as it may deem necessary to determine the \* \* \* nature of such practices, and if it shall determine that such \* \* \* practices are unfair or fraudulent, it shall require \* \* \*

their discontinuance; \* \* \* and if it deems any of them to have been in violation of the laws of this state it may present the facts \* \* \* to the attorney-general or a district attorney for action.

SECTION 5. Subsection (2), except lines 9 to 12, of section 183.26 of the statutes is renumbered sections 189.04, 189.05 and 189.06 and amended to read:

189.04 SECURITIES CLASSIFIED. \* \* \* All securities not mentioned or described in \* \* \* section 189.03 \* \* \* are divided into two classes, \* \* \* namely, *Class A and Class B*.

189.05 CLASS A; VALUE OR INCOME ESTABLISHED. \* \* \* Securities in class A shall comprise the following:

(1) *Evidences of debt* \* \* \* secured by mortgage or deed of trust upon real estate \* \* \* where the total amount of such securities and \* \* \* prior incumbrances does not exceed sixty per cent of the then fair market value of the lands or leaseholds and buildings included in such \* \* \* mortgage or deed.

(2) \* \* \* Evidences of \* \* \* debt \* \* \* secured by first mortgage \* \* \* upon \* \* \* land or leaseholds and buildings to be erected thereon, where it is established to the satisfaction of the commission that the total amount of such securities will not exceed sixty per cent of the fair market value of such land or leasehold and of the building to be erected thereon, and that such \* \* \* mortgage \* \* \* is prior to all other liens on the \* \* \* property, and that a bond has been given in sufficient amount and with sufficient \* \* \* surety to assure the erection of the building; that ample provision is made for financing the completion of the building and for the actual investment in the building of the funds represented to be available for that purpose; and that the net income therefrom will be sufficient to pay the principal debt and interest \* \* \* as they mature.

(3) Equipment trust certificates, or equipment notes or bonds based on lease of new \* \* \* rolling stock leased to a public service company for use upon a railroad or \* \* \* interurban \* \* \* or street railway \* \* \*, if such certificates, notes or bonds do not exceed eighty per cent of the cost

of such new equipment delivered to the lessee, and the agreement \* \* \* in accordance with which said certificates, notes or bonds are issued provides for the payment thereof out of rentals which are sufficient to pay the principal and interest thereon as they mature, and requires that the entire issue shall mature at or prior to the termination of said lease and within \* \* \* ten years from the date thereof, and that the principal of said certificates, notes or bonds shall be paid in such installments that the proportion which the amount outstanding at the close of any twelve months' period bears to the total issue shall not \* \* \* exceed the ratio which the unexpired term bears to the entire term of the issue.

(4) Serial Bonds or notes secured by lien on \* \* \* vessels when such notes or bonds do not exceed fifty per cent of the fair market value of such \* \* \* vessels, \* \* \* which are and by the terms of the instrument creating the lien are required to be at all times during the life of the bonds or notes insured in responsible companies by policies of marine insurance covering all customary hazards, \* \* \* and insuring to the security and protection of such bonds or notes to the par amount thereof, \* \* \* such insurance in the aggregate to be not less than one hundred twenty-five per cent of the notes or bonds to be issued and of any and all other indebtedness secured by equal or prior liens.

(5) Securities issued by the owner of a property, business or industry, which has been in continuous operation for and has earned net profits, during each of the last two years, or earned average annual net profits during a period of not less than four years nor more than eight years next preceding the application for a permit, (a) amounting to one and one-half times the annual interest charge upon all interest bearing obligations of equal rank to be outstanding, in the case of interest bearing securities, and (b) to one and one-half times the annual dividends on all preferred stock of equal rank therewith to be outstanding, in the case of preferred stock; and (c) to five per cent upon all common stock to be outstanding computed at its proposed sale price per share, but not less than par, in the case of common stock; provided, that no common stock shall be given a Class A rating when there is or will be outstanding senior stock which cannot qualify as Class A securities. In calculating net profits



*for the purpose of this section there shall be added to the net profits of each year, as determined after provision for depreciation, taxes, and other proper changes, the amounts deducted for interest on obligations other than current indebtedness. From said sum there shall be deducted:*

*(a) If the securities to be qualified are interest bearing securities, the annual interest on securities senior thereto to be outstanding after the financing.*

*(b) If the security to be qualified is stock, the annual interest on interest bearing securities and annual dividends on stock senior thereto, to be outstanding after the financing. \* \* \**

*(6) The commission may, notwithstanding compliance with the standards of this section, refuse to classify securities as Class A securities because of the unsound financial condition of the company, decrease in earnings, or other conditions affecting the soundness of the securities.*

189.06 CLASS B. \* \* \* All securities not included in \* \* \* sections 189.03 or 189.05 shall be known as securities in Class B.

SECTION 6. Subsections (1), (2) and (3) of 183.27 of the statutes are renumbered 189.07 and amended to read:

189.07 LIMITATION OF SALES; APPLICATION FOR PERMIT. \* \* \* (1) Except as provided in \* \* \* sections 189.08 and 189.09, no company, broker or other person, directly or through an agent, shall in this state sell \* \* \* or take subscriptions for \* \* \* any security for the sale of which a permit has not theretofore been issued, until a permit has been issued by \* \* \* the commission \* \* \* authorizing the sale of such security.

(2) The application to secure such permit shall be \* \* \* verified and filed in the office of the commission; and \* \* \* shall state such facts, \* \* \* as the commission may require. And the commission may among other things require the names and addresses of the officers of the company and the location of its office; \* \* \* its income account if the company shall have been in operation prior to the making of the application; \* \* \* the company's assets and liabilities, together with an explanation of each item, and a detailed statement of the plan upon which the company proposes to transact business; a copy of any security the company proposes to issue

and of any contract it proposes to make concerning the issuance of its securities and of any prospectus, pamphlet or advertising matter proposed to be used in connection with the sale of the company's securities; and \* \* \* an inventory \* \* \* with an appraisalment \* \* \* showing the value of the assets described in such inventory, *the amount and nature of securities issued for and the purchase price of any patent right, copyright, trade-mark, process or good will, or for promotion fees or expenses or for other intangible assets.* \* \* \* *The appraisers shall verify the appraisalment and state therein their experience and qualifications to value such property and all other facts and considerations on \* \* \* which their estimate of value is predicated \* \* \* .*

(3) If the \* \* \* *applicant* is a partnership, or an unincorporated association, trust or joint stock company, there shall be filed with the application a copy of its articles of partnership or association, or any other papers pertaining to its organization which may be required by the commission. If the \* \* \* *applicant* is a trustee, there shall be filed with the application a copy of all instruments by which the trust is created and in which it is accepted, acknowledged or declared. If the applicant \* \* \* is a *foreign* corporation, or association, \* \* \* it shall file with \* \* \* *the* application a certificate of recent date executed by the proper officer of \* \* \* *its* home state, \* \* \* showing that such applicant is authorized to transact business \* \* \* *therein*, and before a permit is issued *in the case of a corporation*, a certificate of the secretary of state \* \* \* of Wisconsin \* \* \* that such foreign corporation has complied with the provisions of section 226.02. \* \* \* If not a corporation, *but a nonresident*, *the applicant shall file* its written instrument in such form as the commission may require irrevocably appointing the secretary \* \* \* of the commission \* \* \* its true and lawful attorney upon whom all processes in any action or proceeding against it may be served.

SECTION 7. Subsection (4) of section 183.27 is renumbered 189.08 and amended to read:

189.08 SALE OF SECURITIES PRIOR TO PERMIT.  
\* \* \* Any \* \* \* *person* authorized by the commission to act as \* \* \* *a broker*, who \* \* \* desires to sell \* \* \* any Class A security before \* \* \* securing

\* \* \* a permit, may do so \* \* \* *after complying* with the following conditions:

(1) \* \* \* Such broker shall \* \* \* notify the commission in writing of the name or description of such security, and shall, within thirty days or within such further time as the commission may fix, apply for a permit for the sale thereof as Class A security.

(2) \* \* \* *He* shall also \* \* \* file with the commission a bond executed by a *licensed* surety \* \* \* company, \* \* \* in the sum of twenty thousand dollars conditioned to repay to any purchaser of such securities on demand any money received of him therefor if said application shall not be made as above provided, or the commission shall determine that the securities so offered are not class A securities, and to pay to the commission the fees required by section \* \* \* 189.26. When such bond shall have been approved by the commission, Class A securities may be offered for sale by such broker as above provided so long as such bond shall be in force, \* \* \* *but* the commission shall have authority, for cause, to terminate any broker's right to proceed under the provisions of this \* \* \* section.

SECTION 8. Subsection (5) of section 183.27 of the statutes is renumbered 189.09 and amended to read:

189.09 SALE OF SECURITIES ISSUED BEFORE AUGUST, 1919. \* \* \* Any broker \* \* \* *licensed* by the commission \* \* \* may sell securities which were issued prior to and have been outstanding in the hands of the public since August 1, 1919, without \* \* \* a permit from the commission, \* \* \* *but* subject to the following provisions and conditions: \* \* \* Before offering any such securities for sale the broker \* \* \* shall notify the commission \* \* \* in writing of *his intention to sell specified securities*, and shall submit with such notice a verified statement to the effect that he is informed and believes that such securities were issued and have been *so* outstanding \* \* \* for the required time, \* \* \* giving the name or description of the securities, the date when issued, and any other facts which are the basis for his belief, the amount to be offered for sale, the maximum price to be asked therefor, and such information as the broker has as to the person or company issuing the securities and *tending* to es-

establish the worth or value of such securities. The commission may require additional information to be furnished with reference to any such \* \* \* securities, \* \* \* and, except as provided herein, shall have the same authority and control over the sale of such securities as over other securities, subject to the provisions of this \* \* \* chapter. If it appears to the commission that \* \* \* such securities have not been outstanding \* \* \* for the required time, that the financial condition or plan of the person or company issuing them is inequitable or unfair, that the price at which they are to be sold is excessive, or for any other reason the sale of such securities may work a fraud on the purchaser, \* \* \* or may constitute a violation of \* \* \* *this chapter*, it may, by notice to the broker, suspend the sale of such securities \* \* \* *until further notice*.

SECTION 9. Subsections (1) and (2) of section 183.28 are renumbered 189.10 and amended to read:

189.10 PROCEEDINGS; GRANTING OF PERMITS. \* \* \*

(1) Upon the filing of \* \* \* *an application for a permit* the commission shall examine the same and the other papers and documents filed therewith, and it may \* \* \* make or have made a detailed examination, inspection, audit or investigation of the affairs of the \* \* \* *issuer of the security for the sale of which a permit is sought*, the expense thereof to be borne by the applicant. If it appears to the commission that the proposed plan of business of the \* \* \* *issuer* is not unlawful, unfair, unjust or inequitable, and that \* \* \* *it* intends to fairly and honestly transact its business, and that the securities which it is proposed to issue or sell, and the methods to be used in the \* \* \* *issue or sale of such securities*, are not such as will work a fraud upon the purchaser thereof, and the amount of commissions to be paid on such issue or sale are not \* \* \* unreasonable, the commission, upon payment of the *required fee* \* \* \* and of any examination or inspection \* \* \* *expense* incurred, shall issue a written permit \* \* \* *to sell the securities \* \* \* therein \* \* \* specified* in such amounts and for such considerations and upon such terms and conditions as the \* \* \* permit provides; otherwise, the commission shall

deny the application \* \* \* and notify the applicant in writing of its decision. \* \* \*

(2) No permit shall be issued for the sale of securities of an insurance company or of a company whose business consists chiefly in owning \* \* \* or controlling the securities of insurance companies, without the approval of the insurance commissioner. \* \* \* When the commission shall permit \* \* \* the sale of any securities, \* \* \* all such securities and all securities theretofore issued by \* \* \* *the applicant* and having equal rights and privileges with those authorized, may be sold and resold without additional permit, but the commission may, in \* \* \* *the permit*, prescribe the terms and conditions on which such securities may be resold.

(3) \* \* \* Every \* \* \* permit shall recite in bold type that the issuance thereof is permissive only and does not constitute a recommendation or indorsement of the security permitted to be sold, and that neither the state of Wisconsin nor any officer of the state assumes any responsibility in connection with the sale of any such securities.

SECTION 10. Subsections (3) and (4) of section 183.28 are renumbered 189.11 and amended to read:

189.11 COMMISSION'S POWERS. \* \* \* The commission may impose such conditions as may be deemed necessary to the issuance and sale of \* \* \* securities, and \* \* \* may establish such rules and regulations as may be reasonable or necessary to administer effectively the provisions of \* \* \* *this chapter*. It may make \* \* \* investigations and hold \* \* \* hearings \* \* \* to ascertain whether misrepresentation has been made to the commission \* \* \* *in seeking* a permit, or whether the issuer has failed to act in conformity with representations made to the commission, or whether the terms and condition fixed by the commission or \* \* \* *this chapter* have been complied with, or whether any fraud has been committed against the purchasers of securities, \* \* \* or whether any fact exists or any act has been done which would be ground for refusing \* \* \* a permit, or for prohibiting the sale \* \* \* *of the securities*, and may from time to time, for cause, change the classification of any security for which a permit has been issued, amend, alter, revoke or temporarily suspend any such permit. \* \* \* The commission may \* \* \* hold such public hearings at such time and place upon such reasonable

notice as the commission may fix. \* \* \* *The commission* may appoint agents to make \* \* \* investigations and hold such hearings with like powers as agents appointed pursuant to \* \* \* section 196.24. \* \* \* Each witness who shall appear before the commission, or its agents, *and who was subpoenaed in its behalf* \* \* \* shall receive for his attendance the fees and mileage \* \* \* provided for witnesses in civil cases in courts of record which shall be paid from the securities regulation fund. \* \* \* The commission or any party may in any investigation cause the depositions of witnesses residing within or without the state to be taken in the manner prescribed \* \* \* for \* \* \* depositions in civil actions in circuit courts. Any expense incurred *by the commission* in taking such depositions shall be paid as above provided.

SECTION 11. Subsection (1) and the first sentence of subsection (4) of section 183.29 are consolidated, renumbered 189.12 and revised to read:

189.12 **BROKERS AND AGENTS MUST BE CERTIFIED.**

No person or company, acting in the capacity of broker or agent, shall deal in or sell securities unless duly authorized, as such, by the commission. In any prosecution for violating this section, proof of facts otherwise establishing that a person or company acted as a broker or agent, shall be prima facie proof that compensation therefor was received or promised.

SECTION 12. Subsections (2), (3) except last nineteen and one-half lines, and (4) except the first sentence thereof of section 183.29, are renumbered 189.13 and amended to read:

189.13. **CERTIFICATION OF BROKERS AND AGENTS.**

(1) \* \* \* Any person or company desiring to act as broker \* \* \* shall file in the office of the commission a \* \* \* verified application, \* \* \* setting forth \* \* \* the name and address of the applicant, and, if it be a corporation, association or joint stock company, the name and address of each of its managing officers and directors, and, if it be a partnership, the name and address of each of the partners; *and* \* \* \* the previous business history of the applicant and of its managing officers and directors, if it be a corporation, or of its members, if it be a partnership, in such detail as may be required by the commission, and also showing the general plan and character of the business of applicant; *and such other information as the commission may require.*

(2) \* \* \* If the applicant is a *foreign* corporation, \* \* \* it shall file with its application a certificate executed by the proper officer of this state, showing that such applicant is authorized to transact business in this state, and, if a *nonresident* but not a corporation, \* \* \* *the applicant* shall file, in such form as the commission may prescribe, its written instrument irrevocably appointing the secretary \* \* \* of the commission \* \* \* its true and lawful attorney upon whom all processes, orders and notices in any action or proceeding against it arising out of the sales or attempted sale of securities within this state may be served. \* \* \*

(3) \* \* \* The commission \* \* \* shall examine \* \* \* *the application* and the other papers and documents filed therewith, and \* \* \* may \* \* \* make \* \* \* a detailed examination \* \* \* into the \* \* \* business \* \* \* affairs of the applicant. If \* \* \* satisfied of the good business reputation of the applicant and of its officers or members, \* \* \* and that the general business methods of the applicant are fair and equitable, \* \* \* the commission shall, upon payment of the required fee, issue a certificate authorizing the applicant to act as broker; \* \* \* otherwise, it shall \* \* \* deny the application and notify the applicant of its decision. \* \* \*

(4) Whenever there shall \* \* \* be any change in the personnel of the officers, directors or trustees of a *certified* broker, \* \* \* *the broker* shall file \* \* \* in the office of the commission, forthwith, a full statement of such change, giving the names of the persons retiring, \* \* \* and the names, addresses and former business of the persons newly elected or chosen, \* \* \* and such other information as the commission shall require.

(5) \* \* \* To obtain \* \* \* *an agent's* certificate, a broker or the issuer of the securities which \* \* \* *the agent* is to sell, shall file, in the office of the commission, a verified application in such form and giving such information as may be required by the commission. If it shall appear to the satisfaction of the commission that the \* \* \* business conduct of the person named as agent has been fair and equitable, *the commission* shall issue such certificate upon payment of a fee of one dollar. \* \* \*

(6) *Every certificate of authority issued to a broker or agent shall expire on the thirty-first day of December next after the date the certificate becomes effective.*

SECTION 13. The last nineteen and one-half lines of subsection (3) of section 183.29 are renumbered 189.14 and amended to read:

189.14 REVOCATION OF BROKER'S AND AGENT'S CERTIFICATE. \* \* \* The commission may at any time suspend any broker's or agent's certificate if it has reason to believe, and may revoke such certificate if it finds that the general business methods of such broker or agent are unfair or inequitable, or that the holder thereof has violated any of the provisions of \* \* \* *this chapter*, or any order, rule or regulation of the commission thereunder, or has been guilty of misrepresentation to the commission, or has made any false statements to or has concealed any essential fact \* \* \* from any person in the sale of any security to such person, or has engaged, or is about to engage, in any fraudulent transaction, or that the change in the personnel of the officers, directors or trustees is such as not to entitle it to a broker's certificate. \* \* \* The commission shall forthwith give notice of such suspension to \* \* \* *the broker or agent and to the employer of such agent.* No order revoking \* \* \* a certificate shall be made until such certificate shall have been suspended for thirty days. If during said thirty days any such holder shall \* \* \* serve \* \* \* on the commission *written demand for a public hearing*, such hearing shall be held within a reasonable time thereafter, and \* \* \* no order revoking such certificate shall be made until after \* \* \* *the hearing.* \* \* \* If a broker be a company it shall be sufficient cause for refusal or cancellation of a broker's certificate that any officer, director or trustee of \* \* \* *the company*, or any member in the case of a partnership, has been guilty of any act or omission which would be cause for refusing \* \* \* a broker's certificate \* \* \* *to such person as an individual.*

SECTION 14. Section 183.30 of the statutes is renumbered 189.15 and amended to read:

189.15 ADVERTISING SECURITIES REGULATED.  
\* \* \* (1) No person or company shall issue, circulate or publish any advertisement, pamphlet, prospectus or circular, or make any representation concerning any security in Class B to be issued or sold or that such person, or company, desires or proposes to sell, until the commission has issued a permit authorizing



the sale of such security; nor shall any company, broker or agent or any other person issue, circulate or publish any advertisement, pamphlet, prospectus or circular, or make any representation concerning any securities in Class B sold or offered for sale by it unless the name of the company, broker, agent or person issuing, circulating or publishing the same shall be subscribed thereto, and a true copy thereof shall have been first filed in the office of the commission and the use thereof allowed by it, except that lists and quotations of securities authorized under this \* \* \* *chapter* may be published without comment; nor shall any company, broker or agent or any other person issue, circulate or publish any advertisement, pamphlet, prospectus or circular after notice in writing given to \* \* \* *him* by the commission that the same contains any statement that is false or misleading or otherwise likely to deceive the public.

(2) No company, broker or agent or other person shall publish or cause to be published or insert or cause to be inserted any notice or advertisement in any newspaper or other publication of general circulation in this state offering for sale any securities in Class B, a permit for the sale of which is required by \* \* \* *this chapter* without furnishing the publisher of such newspaper or other publication at the time of submitting the copy of such advertisement a certificate showing that the original copy of such advertisement or notice is on file in the office of the commission, except that lists and quotations of *authorized securities* \* \* \* may be published without comment and without such certificate.

(3) Every such notice, advertisement, prospectus or other printed or written representation concerning Class B securities, and used or intended to be used to further the sale thereof, shall include in bold-faced type and in such place as the railroad commission shall designate the statement: "Class B Securities." If the business of the person or company issuing the securities shall not have been in operation for two or more years, or shall not have earned in either of the two preceding years net profits after deducting all proper costs and charges of such year, unless the securities to be sold are \* \* \* secured by mortgage on \* \* \* *lands* or leaseholds, there shall be added in like type the words: "This is a speculative venture."

(4) If the securities to be sold are \* \* \* secured by a *real estate mortgage* \* \* \* the face value of which exceeds seventy-five per cent of the market value of the lands or leaseholds

and buildings included in such \* \* \* *mortgage* property, the commission may require that there likewise be added in like type the words: "This is a speculative venture." \* \* \*

(5) Any advertisement, prospectus or other printed or written representation, as to class B securities, and any \* \* \* advertisement, prospectus, or other printed or written representation as to class A securities which refers to the security being authorized, passed or classified by the railroad commission, as class A securities, shall contain this clause: "Passed by the railroad commission of Wisconsin but without recommendation as to value".

SECTION 15. Section 183.43 of the statutes is renumbered subsection (6) of section 189.15 and amended to read:

(189.15) (6) \* \* \* No company, broker or agent, or any other person shall in any form make or publish any representation, statement or advertisement that any securities \* \* \* are or have been in any manner approved or indorsed by the \* \* \* commission.

SECTION 16. Section 183.31 of the statutes is renumbered to be 189.16 and amended to read:

189.16 REPORTS OF SALES; SUSPENSION OF PERMITS; DECREASE OF HOLDINGS. \* \* \* (1) Every company and every broker authorized \* \* \* to sell securities shall, \* \* \* at such times as may be required by the commission, make and file in \* \* \* *its* office \* \* \* a report setting forth, in such form as may be prescribed, the securities sold \* \* \* under the authority of any permit, \* \* \* and such other information concerning the business, property or affairs of such company or broker as the commission may require.

(2) No company having \* \* \* a permit for the sale of securities of its \* \* \* issue shall \* \* \* sell or \* \* \* allow any broker or agent on its behalf to sell in this state any such securities, after \* \* \* any change in its articles of organization or the personnel of its officers, directors or trustees, or after it has become known to the company that any officer or director or trustee has decreased his holdings of, investments in, or subscriptions for any security of the company, \* \* \* until it shall have notified the commission in writing thereof. If it shall appear to the commission that any such change may affect the right to sell such securities, \* \* \* it may \* \* \* suspend \* \* \* *the* permit and no further sales of such secu-

rities shall be made by such company or \* \* \* on its behalf until \* \* \* the commission \* \* \* *revokes* such suspension, and if the commission shall find after investigation and hearing that the \* \* \* *facts* are such as would warrant denial of an application to sell such securities, it may \* \* \* *revoke* the permit \* \* \* .

(3) No person or company, having \* \* \* a permit for the sale of securities of his or its \* \* \* issue shall \* \* \* sell \* \* \* or allow any \* \* \* *one* on its behalf to sell in this state any such securities, after \* \* \* any change in its contracts relating to the sale of such securities or in the general character of its business or after petition has been made \* \* \* for appointment of a receiver, or to have him or it adjudicated a bankrupt, \* \* \* until full information concerning the same shall have been filed with the commission, and the commission shall have authorized resumption of the sale of such securities. If the commission shall find, after investigation and hearing, that the \* \* \* *facts* are such as would warrant denial of an application to sell such securities, it may \* \* \* *revoke* the permit. \* \* \*

(4) Any officer, director, or trustee of \* \* \* a company at the time application was made to the commission for a permit \* \* \* *to sell* its securities, who, while such permit is in effect, shall sell or dispose of any securities represented to be owned by him at the time of such application, or who shall decrease, or request the company \* \* \* *to decrease*, \* \* \* his subscription for any such securities, shall at or before the sale or disposition of such securities, or the decrease or request for decrease of such subscription, notify the commission thereof in writing. Any broker having obtained a permit for the sale of any such securities, and who shall know of any of the changes or facts referred to in this \* \* \* *section*, or who has reason to believe that any such changes have taken effect, or that said transactions have occurred, shall immediately notify the commission thereof, in writing.

SECTION 17. Subsection (1) of section 183.32 is renumbered 189.17 and amended to read:

189.17 CONTRACTS IN WRITING; CONTENTS. \* \* \*  
 (1) No \* \* \* principal or broker or agent shall sell \* \* \* within this state any class B securities \* \* \* unless the contract of \* \* \* sale \* \* \* be \* \* \* *written*, and a

copy thereof \* \* \* delivered to the purchaser and contain such provision as the commission may require to give notice to the purchaser that the permit of the \* \* \* commission \* \* \* is not \* \* \* a recommendation of such security, and that the commission has not passed judgment on the safety of such security or the probability of earnings thereon.

(2) If the business of the \* \* \* issuer of the securities shall not have been in operation for two or more years or shall not have earned in either of the two preceding years net profits after deducting all proper costs and charges of such years, unless the securities to be sold are \* \* \* evidences of \* \* \* debt \* \* \* secured by mortgage on real estate, \* \* \* there shall be added in prominent type: "This is a speculative venture".

(3) If the securities to be sold are \* \* \* evidences of \* \* \* debt \* \* \* secured by mortgage on real estate, \* \* \* the face value of which exceeds seventy-five per cent of the market value of the lands or leaseholds and buildings included in such mortgage, \* \* \* there shall be included in prominent type the words: "This is a speculative venture."

(4) If such securities shall be sold for the purpose of obtaining directly or indirectly any money or other thing of value for the \* \* \* issuer, the contract shall also contain a provision in substantially the following language: "No sum shall be used for commission, promotion and organization expenses, except statutory fees, on account of this issue of . . . (insert kind of security). whether sold within or without the state, in excess of . . . (insert percentage) per cent of the amount actually paid hereon, unless a larger amount shall have been authorized by the railroad commission prior to the payment thereof, and the remainder of such payments shall be used only in the conduct of the business for which such company is organized."

(5) If such securities have not been underwritten by the person selling the same, and are not sold for the benefit of the \* \* \* issuer, the contract shall contain a provision in substantially the following language: "This is a resale and no part of the money paid for this . . . (insert kind of security) is to be used for the benefit of the business of . . . (the issuer)."

(6) *The forms of* all such contracts shall be submitted to the commission \* \* \* before being used, and the commission

shall have authority to determine the form, arrangement, type and the provisions thereof except as herein provided.

SECTION 18. Subsection (2) of section 183.32 of the statutes is renumbered 189.18 and amended to read:

**189.18 PROMOTERS ARE TRUSTEES; FUNDS TO BE DEPOSITED.** \* \* \* Funds and securities shall be held by the organizers, trustees, directors, officers or other persons in charge of the business being promoted as trustees, and unless otherwise directed by the \* \* \* commission shall be deposited with a bank or trust company of this state until such company shall begin to conduct the business for which it is organized.

SECTION 19. Subsection (3) of section 183.32 of the statutes is renumbered 189.19 and amended to read:

**189.19 ACTS OF COMMISSION PRIMA FACIE LAWFUL.** \* \* \* All findings, decisions, orders and regulations of the commission shall be in force and shall be prima facie lawful, and all rules and regulations prescribed by the commission shall be in force and shall be prima facie reasonable, until finally found otherwise in an action brought for that purpose pursuant to the provisions of section \* \* \* *189.21*.

SECTION 20. Subsection (4) of section 183.32 of the statutes is renumbered 189.20 and amended to read:

**189.20 DECOYS FORBIDDEN.** \* \* \* No person shall participate in, receive or accept any part or promise of any part of the commissions or rewards of any organizer, promoter, company, broker or agent for the sale of any security, other than bonds, unless the name of such person and the fact and amount of his interest in such commissions or reward shall appear in bold type immediately above the place for signature of the subscriber or purchaser upon such contract of subscription or purchase. The omission of such statement from any such contract shall, in addition to the penalty provided in section \* \* \* *189.23*, make such person liable to the purchaser or subscriber or his assignees for all sums paid by such purchaser or subscriber, together with interest at the legal rate from the date of payment.

SECTION 21. Section 183.33 of the statutes is renumbered 189.21 and amended to read:

**189.21 APPEAL FROM COMMISSION.** \* \* \* Every *person aggrieved by any order, decision, permit or other official act of the commission* \* \* \* may appeal therefrom to the circuit court of Dane county, in the manner and subject to the

limitations prescribed by sections 195.32 to 195.34, \* \* \* except that \* \* \* subsections (4) and (5) of section 195.32 shall not apply to such appeal.

SECTION 22. Section 183.34 of the statutes is renumbered 189.22 and amended to read:

189.22 ILLEGAL SALES VOIDABLE, VENDOR'S LIABILITY, LIMITATION OF ACTION. \* \* \* (1) Every sale of a security in violation of any provision of \* \* \* *this chapter*, and every sale of a security \* \* \* in violation of or noncompliance with the terms and conditions of \* \* \* *the permit therefor*, shall be voidable at the election of the purchaser; and any company, broker or other person, by or on behalf of whom said sale was made, or who shall have participated or aided in any way in making such sale, shall be jointly and severally liable to such purchaser, upon tender to such \* \* \* person, or into court, of the securities sold or of the contract made, for the full amount paid, \* \* \* together with interest from the date \* \* \* of payment, at the rate stipulated in the securities sold, or, if the securities do not bear interest, then at the legal rate. \* \* \*

(2) No purchaser \* \* \* shall \* \* \* have the benefit of this section who shall \* \* \* refuse \* \* \* or fail \* \* \* within a reasonable time to accept \* \* \* an offer \* \* \* to take back the securities in question and to cancel said contract, \* \* \* accompanied by the tender of the full amount paid, \* \* \* together with interest as above specified. \* \* \*

(3) Notice of *such* election \* \* \* shall be given \* \* \* to the party from whom recovery will be sought within thirty days after the purchaser shall have notice that such security was sold without a permit or in violation of or noncompliance with the terms and conditions of the permit. \* \* \* *Such notice* shall be given by letter addressed to the person or company to \* \* \* be notified at his or its last known address, with proper postage affixed, and deposited in a United States post office or mail box, or by personal service \* \* \* as \* \* \* in civil actions.

(4) No action shall be brought for \* \* \* relief under *this section* after three years from the date of such sale or contract for sale, \* \* \* but the time for commencing such action shall be extended by reason of any fact specified in sections 330.30 \* \* \* to 330.38, \* \* \* and for the time specified therein

\* \* \*. No person or company \* \* \* *that* shall have filed with the commission or the secretary of state an \* \* \* *appointment of a resident of this state* \* \* \* *as attorney* \* \* \* to accept service \* \* \* *of process* shall be deemed a person out of this state within the meaning of *this section* \* \* \*.

SECTION 23. Section 183.35 of the statutes is renumbered 189.23 and is amended to read:

189.23 ILLEGAL SALES PUNISHABLE \* \* \* (1)  
Any company which shall, directly or indirectly, sell or offer for sale, or cause to be sold or offered for sale, any security contrary to the provisions of \* \* \* *this chapter* or in nonconformity with its representations made to the commission in securing its permit, or contrary to any order of the commission, or which applies the proceeds from the sale of such securities or any part thereof to any purpose other than the purpose or purposes specified in procuring its permit from the commission, or applies any greater or different amount than that specified to the payment of commission, shall be punishable by a fine not exceeding ten thousand dollars.

(2) Every officer, agent or employe of any company, and \* \* \* *every* broker, and every other person who authorizes, directs or aids in or consents to the issue or sale of, or issues or executes or sells, or causes or assists in causing to be issued, executed or sold, any security, knowing said sale, issue or execution to be in nonconformity with the representations made to the commission in securing the permit, or who authorizes, directs, aids in or consents to the issue or sale of, or issues or executes or sells, or causes or assists in causing to be issued, executed or sold any security in nonconformity with a permit of the commission, \* \* \* or contrary to the provisions of \* \* \* *this chapter*, or to any order of the commission, or who, in any application to the commission, or in any proceedings before it, or in any examination, audit or investigation made by it or on its authority, knowingly or negligently makes any false statement or representation, or who, with knowledge or by reason of his office, position, or occupation should know of its falsity, files or causes to be filed in the office of the commission any false statement or representation concerning \* \* \* *any* broker or company, or the property which it then holds or proposes to acquire, or concerning its officers, or its financial condition or other affairs, or concerning

its proposed plan of business, or who, with knowledge or by reason of his office, position or occupation should know of the falsity of any such statement or representation, issues, executes or sells, or causes to be issued, executed or sold, any security of the company concerning which the false statement was made to the commission, or who, directly or indirectly, knowingly applies, or causes or assists in causing to be applied, the proceeds or any part thereof from the sale of any security to any purpose contrary to the terms and conditions of the permit, or to any purpose specified in excess of the amount limited in its permit to be used for such purpose, or who, with knowledge that any security has been issued, sold or executed in violation of any of the provisions of \* \* \* *this chapter*, sells or offers the same for sale, or who, with knowledge or by reason of his office, position or occupation should know that any advertisement, pamphlet, prospectus or circular concerning any security contains any statement that is false or misleading or otherwise likely to deceive a reader, \* \* \* issues, circulates or publishes the same, or shall cause the same to be issued, circulated or published, or consents to the same, or who, in any other respect, wilfully violates or fails to comply with any of the provisions of \* \* \* *this chapter*, or who, in any other respect, wilfully violates or fails, omits or neglects to obey, observe or comply with any order, permit, decision, demand or requirement, or any part or provision thereof, of the commission under the provisions of said \* \* \* *chapter*, shall be punished by imprisonment in the state prison not exceeding five years, or in a county jail not exceeding one year, or by a fine not exceeding five thousand dollars, or by both. \* \* \*

SECTION 24. Section 183.36 of the statutes is renumbered 189.24 and amended to read:

189.24 ATTORNEY-GENERAL AND DISTRICT ATTORNEYS, WHEN TO ACT. \* \* \* Upon request of the commission, the attorney-general or the district attorney of any county shall aid in any investigations, \* \* \* and in all trials and proceedings had under the provisions of \* \* \* *this chapter*, and shall institute and prosecute any action or proceedings for the enforcement thereof.

SECTION 25. Section 183.37 of the statutes is renumbered 189.25 and amended to read:



189.25 SERVICE ON NONRESIDENTS. \* \* \* In any action or proceeding commenced or prosecuted in this state against \* \* \* or arising out of or founded upon the actual fraud of, any company or broker which shall have appointed the secretary \* \* \* of the commission its attorney, service of process may be made upon such \* \* \* attorney, who shall forthwith forward by mail, postage prepaid, to the person designated \* \* \* in the appointment at the address stated in such instrument, or, if no such designation has been made, to the \* \* \* company or broker at its last known post-office address, a copy of such process; thereupon, service of such process upon such company or broker shall be deemed \* \* \* complete \* \* \* personal service. \* \* \* The \* \* \* certification of the commission under its official seal, of such service, shall be \* \* \* sufficient proof thereof.

SECTION 26. Section 183.38 of the statutes is renumbered 189.26 and amended to read:

189.26 FILING FEE. \* \* \* (1) The commission shall \* \* \* collect from each \* \* \* person filing \* \* \* an application for a broker's certificate of authority twenty-five dollars as a filing fee, which shall be returned \* \* \* if his application is denied.

(2) The commission shall \* \* \* collect \* \* \* for each \* \* \* application \* \* \* for a permit to sell securities a filing fee of ten dollars, \* \* \* and before a permit is issued a further fee of fifty cents per thousand for each thousand dollars par value of each entire authorized issue of securities of which part or all may be permitted to be offered for sale in the state of Wisconsin, but in no case shall the fees be more than one hundred dollars for each such issue.

(3) If any such securities shall have no par value, the price at which such applicant proposes to issue or sell the same shall be deemed the par value for the purpose of computing the fee to be paid by such applicant.

SECTION 27. Section 183.39 of the statutes is renumbered 189.27 ORDERS, FINDINGS AND CERTIFICATES, FORM; EVIDENCE and subsection (5) is amended by striking out "sections 183.26 to 183.44, inclusive" in lines 1 and 3 and inserting, in each place, the words, "this chapter".

SECTION 28. Section 183.40 of the statutes is renumbered 189.28 and amended to read:

189.28 SUBSCRIPTIONS BY PROMOTERS NOT PROHIBITED. \* \* \* *This chapter does not prohibit the persons interested in organizing and promoting a corporation from making subscriptions for shares of a corporation prior to the incorporation thereof, but no subscriptions for such shares shall be solicited and all subscriptions accepted shall be deemed to have been made and accepted upon the conditions that such corporation, when incorporated, shall with reasonable diligence apply for and secure from the commission a permit authorizing the sale of its shares. The person or persons interested in organizing or promoting a domestic corporation \* \* \* may, in the name of and on behalf of the corporation, present an application \* \* \* for such permit.*

SECTION 29. Section 183.42 of the statutes is renumbered 189.29 and amended to read:

189.29 COMMISSION MAY EXPOSE FRAUDULENT OFFERINGS. \* \* \* The commission may from time to time issue in pamphlet form, or by newspaper advertising, or otherwise, information regarding offerings it considers fraudulent \* \* \* for sale of securities to parties within the state \* \* \* .

SECTION 30. Section 183.44 of the statutes is renumbered 189.30 and amended to read:

189.30 INTERSTATE COMMERCE. \* \* \* *This chapter shall apply to or be construed as a regulation of commerce with foreign nations or among the several states \* \* \* only so far as the same may be permitted under the provisions of the constitution and the acts of the congress of the United States.*

SECTION 31. Section 183.45 of the statutes is renumbered 189.31 and amended to read:

189.31 VALIDATION OF STOCK ISSUES. \* \* \* Stock \* \* \* issued and sold prior to May 31, 1921, by any domestic corporation \* \* \* as \* \* \* an increase in the capital stock \* \* \* and which is invalid only because of failure to \* \* \* secure a permit from the \* \* \* commission before the issue and sale of the same, \* \* \* if the total number of stockholders of such corporation after such sale of stock does not exceed twenty-five in number and the total cost of issuing and selling said stock did not exceed three hundred dollars, is hereby validated so that it shall be as legal and valid as though all of the provisions of \* \* \* this chapter had been complied with before the issuance \* \* \* thereof.

SECTION 32. Section 183.41 is renumbered subsection (3) of section 196.13 and amended to read:

(196.13) (3) \* \* \* Annually, on or before the first day of December, the commission shall \* \* \* file in the office of the governor a report containing an accurate review of the work of the commission in the administration of \* \* \* *this chapter* for the *preceding* fiscal year; \* \* \* and \* \* \* a schedule of all applications for permits to sell securities, \* \* \* of the permits granted, \* \* \* of the applications rejected, and of \* \* \* permits canceled or revoked; and a statement of the receipts and disbursements of the commission, and such other material information as relates to the work of the office *in the administration of said law*.

SECTION 33. Chapter 756, Laws 1913; chapters 507 and 415, Laws 1915; chapter 674, Laws 1919; chapter 1, Sp. S. 1919; chapter 442, Laws 1921; and chapters 353, 380 and 445, Laws 1923, are repealed.

SECTION 34. This act shall take effect July 1, 1925.

Approved June 26, 1925.

No. 311, S.]

[Published June 29, 1925.

## CHAPTER 382.

AN ACT to amend sections 215.02, 215.05, 215.08, 215.15, 215.20, 215.24, 215.27, 215.28, 215.38, 215.39, 215.41, and 215.45 and to create sections 215.311 and 215.312 of the statutes, relating to building and loan associations.

*The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:*

SECTION 1. Sections 215.02, 215.05, 215.08, 215.15, 215.20, 215.24, 215.27, 215.28, 215.38, 215.39, 215.41, and 215.45 of the statutes are amended to read: 215.02 Local associations may be organized and conducted under the general laws relating to corporations except as herein provided; but the articles of incorporation, amendments thereof and all papers relating thereto shall be filed with the commissioner of banking. *The building and loan supervisor* \* \* \* may with the approval of the commissioner of banking issue the certificate of incorporation; but the same shall