

No. 503, S.]

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CHAPTER 503

AN ACT to repeal 189.14 (3); to renumber and amend 189.14 (4); to amend 189.08 (1) (a) (intro. par.) and (d) 4 and (2) and 189.15; to repeal and recreate 189.14 (2); and to create 189.29 (7) of the statutes, relating to clarification of various provisions of the securities law.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 189.08 (1) (a) (intro. par.) and (d) 4 and (2) of the statutes are amended to read:

189.08 (1) (a) (intro. par.) Evidences of debt (not exempt under s. 189.06 (3) or (5)) issued by any corporation operating a railroad or public utility, and securities senior thereto, if the issuance of its securities * * * *and its rates are regulated by a commission or other similar body of the United States, or any state, territory or insular possession of the United States, of the District of Columbia or of the Dominion of Canada or any province thereof, and if:*

(d) 4. Such stock is not sold by, for or on behalf of an issuer as defined in s. 189.07 (5) and is not part of an initial distribution of a new issue, and not less than 6 months * * *, *or such shorter period as the department may approve*, has intervened since the most recent initial public offering of any stock of the same class by, for or on behalf of an issuer as defined in s. 189.07 (5). But any permission granted by this paragraph to sell any stock without registration under s. 189.13 shall terminate upon a public offering of a new issue of stock of the same class other than by way of a stock dividend or a change in the par or stated value thereof. For the purposes of this paragraph the term "stock" shall not include shares of beneficial interest in a business trust or the securities of any person primarily engaged in the business of investing and reinvesting in securities. The term "public offering" as used in this subsection shall not include the sale by, for or on behalf of an issuer of securities of the same class in an amount during any prior 12 months' period not exceeding 5 per cent of the maximum amount of such securities outstanding during such 12 months' period.

(2) Any licensed dealer desiring to sell securities under this section shall inform the department by notice in writing or by telegraph, not later than the date of offering, of the name of the issuer, the description of the securities to be offered for sale, and the basis of eligibility for their sale under this section. * * * *Any advertising used by such dealer pursuant to the notice shall be subject to s. 189.14.*

SECTION 2. 189.14 (2) of the statutes is repealed and recreated to read:

189.14 (2) In the case of securities sold under ss. 189.06, 189.07, 189.08 or 189.09 (1) no advertising matter shall be issued, circulated or published unless a copy thereof is filed with or mailed to the department not later than the date of use by such dealer. In all other cases no advertising matter shall be issued, circulated or published unless such advertising matter has been submitted in duplicate and the use thereof has been allowed by the department.

SECTION 3. 189.14 (3) of the statutes is repealed.

SECTION 4. 189.14 (4) of the statutes is renumbered 189.14 (3) and amended to read:

189.14 (3) * * * *Subsection (2)* * * * shall not apply to lists or quotations published without comment or to advertisements which do no more than state from whom advertising matter may be obtained, identify the security offered for sale and state the price thereof and the names of dealers having an interest in the sale thereof, or to reprints of factual information from financial publications on the approved list issued from time to time by the department.

SECTION 5. 189.15 of the statutes is amended to read:

189.15 * * * All registrations of securities shall expire 5 years from the date of registration, unless in each case sooner revoked * * *, terminated or extended by the department. The department, at least 60 days in advance of any such expiration, shall, *unless the right to sell securities under the registration is under suspension*, mail notice thereof addressed to the applicant at his last known address as the same appears upon the records of the department. Any interested party may at least 30 days before the date of such expiration apply for a renewal of the registration. The applicant for such renewal need pay no additional fees but shall pay the expenses reasonably attributable to any investigation made by the department and shall furnish such additional information as the department may deem necessary to enable it to determine whether the securities are entitled to registration under s. 189.13. If it shall appear that such securities are entitled to registration under s. 189.13, the department shall renew registration for a further term of 5 years upon such terms and conditions as it may prescribe and subject to * * * this chapter. Successive renewals of registration of any security may be granted in like manner.

SECTION 6. 189.29 (7) of the statutes is created to read:

189.29 (7) The department may order the return of the filing fee paid, when the application for registration of a security is permitted by it to be withdrawn, but may charge the expense reasonably attributable to its preliminary examination against the cost deposit provided by subs. (4) hereof. If the expense of its examination shall exceed the cost deposit, such deficit may be charged against the filing fee before a refund is made.

Approved July 25, 1955.
