

Order  
reviewable.

and one copy to the owner or appellant and said order shall be reviewable by certiorari as provided by law.

Passed the Senate February 9, 1943.

Passed the House March 9, 1943.

Approved by the Governor March 19, 1943.

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## CHAPTER 169.

[ S. B. 149. ]

### SALES OF SECURITIES.

AN ACT providing for the regulation and supervision of the issuance and sale of certain securities to prevent fraud in the sale thereof, and amending section 6, chapter 69, Laws of 1923, as amended by section 3, chapter 97, Laws of 1935 (sec. 5853-6, Rem. Rev. Stat., sec. 482-10, Pierce's Code).

*Be it enacted by the Legislature of the State of Washington:*

Amend-  
ments.

SECTION 1. That section 6, chapter 69, Laws of 1923, as amended by section 3, chapter 97, Laws of 1935 (sec. 5853-6, Rem. Rev. Stat., sec. 482-10, Pierce's Code) be amended to read as follows:

Duties of  
Director of  
licenses.

Section 6. Upon the filing of an application, it shall be the duty of the Director of Licenses to examine the same and the papers and documents filed therewith. If he finds that the proposed plan of business of the applicant is fair, just and equitable, and that the securities which it proposes to issue and the methods to be used by it in issuing and disposing of the same are not such as will work a fraud upon the purchaser thereof, the Director of Licenses shall issue to the applicant a permit authorizing it to issue and dispose of such securities: *Provided*, That no permit shall be issued to any corporation, organized or reorganized, for the purpose of establishing or controlling, by stock ownership or otherwise, an insurance company or companies unless and until

Examination  
of  
applications.

Limitation  
as to  
insurance  
companies.

the corporation has prepared detailed plans regarding the subsequent organization or control of such insurance company or companies and has presented such plans to the Insurance Commissioner of the State of Washington and has obtained his approval thereof: *Provided further*, That the Insurance Commissioner's approval of the proposed plans of such subsequent organization or control shall not constitute a recommendation or endorsement of the securities permitted to be issued. Should the Director of Licenses find that the proposed plan of business of the applicant is unfair, unjust or inequitable he shall deny the application for a permit and notify the applicant of his decision.

Every permit shall recite in bold type that the issuance thereof is permissive only, and does not constitute a recommendation or endorsement of the securities permitted to be issued.

The Director of Licenses is hereby authorized and directed to make such reasonable rules and regulations as are necessary to carry out the provisions of this act.

Director to  
make rules.

The Director of Licenses is empowered to make at any time examinations of or investigations into the records and books of account of any issuing company or broker.

Passed the Senate February 19, 1943.

Passed the House March 9, 1943.

Approved by the Governor March 19, 1943.