

CHAPTER 150.

[H. B. 349.]

SECURITIES—ISSUANCE AND SALE.

AN ACT relating to the issuance and sale of certain securities; providing for the regulation and supervision of such sales, and amending section 3, chapter 69, Laws of 1923, as last amended by section 2, chapter 189, Laws of 1947.

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

Amendment.

SECTION 1. Section 3, chapter 69, Laws of 1923, as last amended by section 2, chapter 189, Laws of 1947, is amended to read as follows:

Sale prohibited without a permit.

Section 3. No company, or underwriter thereof, shall sell, or offer for sale, negotiate for the sale of, or take subscriptions for any security of its own issue, until the company or an underwriter thereof shall have first applied for and secured from the Director of Licenses a permit authorizing the sale of such security: *Provided*, That in the case of a security issued by an unincorporated trustee or trustees of a common law trust, such application shall

Common law trusts.

Exceptions.

be made by an underwriter: *And provided further*, That this shall not apply to transactions not involving a public offering: *And provided further*, That this shall not apply to a sale for a delinquent stock assessment made in accordance with the provisions of the statutes of the State of Washington; nor shall it apply to original subscriptions to capital stock made by those who have signed the articles of incorporation of such corporation as bona fide incorporators thereof: *And provided further*, That said articles of incorporation are not signed by more than fifteen (15) persons and that no part of such original issue of capital stock is taken for the purpose of public distribution.

Passed the House February 25, 1949.

Passed the Senate March 7, 1949.

Approved by the Governor March 16, 1949.