

No. 165

AN ACT

For the registration and regulation of certain individuals and entities selling, offering for sale or delivery, soliciting subscriptions to, or orders for, or undertaking to dispose of, inviting offers for, or inquiries about, or dealing in any manner in, securities defined herein, including securities issued by them; conferring powers and imposing duties on the Pennsylvania Securities Commission and otherwise providing for the administration of this act; providing for appeals to the court of common pleas of Dauphin County and to the Supreme Court of Pennsylvania; prescribing penalties and making appropriations.

Section 1. Be it enacted, &c., That this act shall be known and may be cited as "The Securities Act."

The Securities Act.

Section 2. The following terms shall, unless the context otherwise indicates, have the following respective meanings:

Definitions.

(a) The terms "security" or "securities" shall include any bond, stock certificate under a voting trust agreement, treasury stock, note, debenture, certificate in or under a profit-sharing or participation agreement, subscription or reorganization certificate, oil, gas or mining lease or certificate of any interest in or under the same, evidence of indebtedness, or any certificate or instrument representing or secured by an interest in the capital, assets or property of any corporation, unincorporated organization, association, trust, or public corporation or body, or any other instrument commonly known as a security.

"Security" or "securities."

(b) The term "company" shall include a corporation, part-stock company, partnership, association, company, syndicate, trust, incorporated or unincorporated, heretofore or hereafter formed under the laws of this State, or any other State or Territory of the United States, or any foreign state or country. As used herein, the term "trust" shall be deemed to include a common law trust, but shall not include a trust created or appointed under or by virtue of a last will and testament or by a court of law or equity.

"Company."

"Trust."

(c) The term "dealer" shall include every person or entity, other than a salesman who engages in this State, either for all or part of his or its time, directly or through an agent, in selling, offering for sale or delivery, or soliciting subscriptions to, or orders for, or undertaking to dispose of, or to invite offers for, or inquiries about, or dealing in, any manner in, any security or securities within this State, including securities issued by such entity.

"Dealer."

Transactions not constituting person a dealer.

None of the following transactions shall constitute the person or company engaging therein a "dealer" within the meaning of this act, that is to say, a sale, offer for sale, solicitation, subscription, invitation, dealing in, or delivery,

Security of the United States or subdivision thereof.

(1) Of a security issued or guaranteed by any of the following: United States of America, or a State, Territory, insular possession, political subdivision, or agency thereof; the District of Columbia; a national bank, corporation created or acting as an instrumentality of the Government of the United States pursuant to the authority of Congress.

Judicial sales.

(2) At any judicial, executor's, administrator's, guardian's, committee's, or conservator's sale, or at any sale by receiver or trustee in insolvency or bankruptcy.

Isolated sale by owner.

(3) In an isolated transaction in which any security is sold or offered for sale, subscription or delivery by the owner thereof, or by his representative or agent, for the owner's account, such sale or offer for sale, subscription or delivery not being made in the course of repeated and successive transactions of a like character by such owner or on his account by such representative or agent, and such owner or representative or agent not being the underwriter of such security.

Sale by pledgee for debt.

(4) By or for the account of a pledge holder or mortgagee, selling or offering for sale or delivery in the ordinary course of business, to liquidate a bona fide debt, a security pledged in good faith as security for such debt.

Sale to banks or registered persons.

(5) To any bank, savings institution, or trust company, created under the laws of this Commonwealth, or to any person or company registered under the provisions of this act.

Unsecured commercial paper.

(6) Wherein the securities disposed of consist exclusively of unsecured commercial paper.

Entire mortgages.

(7) Wherein the securities disposed of consist exclusively of mortgages upon real or personal property, situated in Pennsylvania, and the entire mortgage is sold or transferred with the note or notes secured thereby.

Sale by company of its own securities at expense less than 3%.

(8) Wherein the issuer, a company organized under the laws of this State, disposes of its own securities, in good faith and not for the purpose of avoiding the provisions of this act, for the sole account of the issuer, without any commission or fee, and at a total expense of not more than three per centum of the proceeds realized thereon, and where no part of the issue is used directly or indirectly in payment for patents, services, good will, or for property located outside of this State: Provided, however, That a building and loan association, organized under the laws of this

Proviso.

Building and loan associations.

State, in the issuance and sale of its own stock, whether with or without expense of any commission or fee, shall not be deemed a "dealer" within the meaning of this act.

(9) Wherein the securities are the securities of any corporation organized under the laws of this State, whose authorized capital stock added to its other outstanding securities does not exceed twenty-five thousand dollars (\$25,000)—shares of stock without nominal or par value being considered for the purpose of this act to be of one hundred dollars (\$100) each—and such securities are issued and disposed of for the sole account of the issuer in good faith and not for the purpose of avoiding the provisions of this act.

Sale of its own securities by company with capital under \$25,000.

(10) In the original issuance and sale by any corporation, organized under the laws of this State, of its stock, issued in good faith and not for the purpose of avoiding the provisions of this act, for the sole account of the issuer, so long as the number of stockholders of said corporation does not exceed twenty-five (25) and the securities are issued and disposed of without the use of advertisements, circulars, agents, salesmen, solicitors or any form of public solicitation.

Company with under twenty-five stockholders.

(11) The distribution by a corporation of capital stock, bonds, or other security, to its stockholders as stock dividend or other distribution out of earnings or surplus, or the issue of securities to the security holders or other creditors of a corporation, in the process of a bona fide reorganization of such corporation, made in good faith, either in exchange for the securities of such security holders or claims of such creditors, or the issue of increased capital stock of a corporation sold or distributed by it entirely among its own stockholders.

Stock dividends, issues on reorganization, etc.

(12) The transfer or exchange by, or on account of, one corporation to another corporation of their own securities in connection with a proposed consolidation or merger of such corporations.

Exchange on consolidation.

(13) The issuance and sale of its own stock by a building and loan association organized under the laws of this State.

Building and loan association.

(14) The issuance and sale of its own securities by a corporation not organized and not engaged in business for profit.

Corporation not for profit.

(d) The term "salesman" shall, except as provided in section four, include every person or company employed or appointed or authorized by a dealer to sell, offer for sale or delivery, or solicit subscriptions to or orders for, or dispose of inquiries about, or deal in any manner in, securities within this State, whether by direct act or through subagents.

"Salesman."

(e) The term "commission" shall mean the Pennsylvania Securities Commission.

"Commission."

"Fraud,"
"fraudulent" or
"fraudulent prac-
tice."

(f) The terms "fraud," "fraudulent," "fraudulent practice," shall include any misrepresentation, in any manner, of a relevant fact not made honestly and in good faith; any promise or representation or predication as to the future not made honestly and in good faith, or an intentional failure to disclose a material fact, the gaining, directly or indirectly through the sale of any security, of an underwriting or promotion fee or profit, selling or managing commission or profit so gross and exorbitant as to be unconscionable and fraudulent; and any scheme, device or other artifice to obtain such a profit, fee, or commission: Provided, however, That nothing herein shall limit or diminish the full meaning of the terms "fraud" and "fraudulent" as applied or accepted in courts of law or equity.

Dealers to be
registered.

Section 3. No dealer shall, by direct solicitation, or through agents or salesmen, or by letter, telephone, telegraph, circular, or advertising, sell, offer for sale, tender for sale or delivery, or solicit subscriptions to, or orders for, or dispose or undertake to dispose of, or invite offers for or inquiries about, any securities within this State, without first being registered as in this act provided. No salesman or agent shall, in behalf of any dealer, sell, offer for sale, tender for sale or delivery, or solicit subscriptions to or orders for, or dispose or undertake to dispose of, or invite offers for or inquiries about, any securities within this State, unless registered as a salesman or agent of a dealer under the provisions of this act. The list of dealers, agents or salesmen registered under the provisions of this act, shall at all times be open to the public.

Salesmen to be
registered.

List of dealers,
agents and sales-
men.

Employees of pub-
lic service com-
panies.

Section 4. The employees of a company subject to the provisions of the Public Service Company Law of Pennsylvania shall not, for the purpose of registration, be considered as salesmen or agents within the meaning of this act, and shall not be required, as to securities issued by such company, or as to securities issued by a company subject to regulation by the Interstate Commerce Commission, which latter company controls directly or otherwise such other company, to procure registry certificates to enable such employes, acting for either of such companies and no other, or for a securities company owned or controlled by either of them and engaged in promoting the distribution of such securities as incidental to their regular employment, to sell or solicit or negotiate for the sale or purchase of such securities in the territory served by the company by which they are employed. Such employes shall however be subject to the other provisions of this act to the same extent as though in fact registered as an agent or salesman thereunder.

Not required to
procure registry
certificates.

Violations by
such employes.

If the commission has reason to believe that any such employe has in any way violated, or is violating, or is

about to violate, any of the provisions of this act, or has reason to believe that such employe has been guilty of any fraud or fraudulent practice, it may order such employe to cease and desist from the further sale of such securities. Such order shall be made after notice and hearing, and shall be subject to appeal as is here-in provided for in the case of a revocation of an agent's or salesman's registration.

Section 5. A dealer to be registered must submit sworn application therefor to the commission, which shall be in such form as the commission may determine, and which shall state the principal place of business of the applicant wherever situated; and the location of the principal place of business and all branch offices in this State, if any; the name or style of doing business and the address of the dealer; the names, residences, and business addresses of all persons interested in the business as principals, officers, directors, or managing agents, specifying as to each his capacity and title; the general plan and character of business of such applicant and the length of time during which the dealer has been engaged in business. Such application shall also contain such additional information as to applicant's previous history, record, and associations as may be required by the commission. Each application shall be accompanied by certificates, or other evidences satisfactory to the commission, establishing the good repute in business of the applicant, his directors, officers, copartners, or principals. If the applicant is a corporation organized under the laws of any other State or Territory or government or shall have its principal place of business therein, it shall accompany the application with a copy of its articles of incorporation, certified by the proper officers of such State, Territory or government, and of its regulations and by-laws; if a limited partnership, a copy of its articles of copartnership; and, if an unincorporated association organized under the laws of any other State, Territory, or government, or having its principal place of business therein, a copy of its articles of association, trust agreement, or deed of settlement.

Section 6. Every company organized under the laws of any other State, or having its principal office therein, and every nonresident individual, shall file with its or his application a written consent, irrevocable, that actions may be commenced against it or him, in the proper court of any county of this Commonwealth in which the cause of action may arise, or in which the plaintiff may reside, by a service of process upon the commission as its or his agent, and stipulating and agreeing that such service of process shall be taken and held in all courts to be as valid and binding as if due service had been made upon the person or company itself according to the laws of this or any other State.

Orders to cease and desist.

Notice and hearing.

Application of dealer.

Contents.

Certificate of good repute.

Where applicant is corporation of any other State.

Limited partnership, etc.

Consent to service of process upon the commission.

Validity.

Authentication.

and such instrument shall be authenticated by the seal of such corporation, or by the signature of all the members of such copartnership, or by the signature of the president and secretary of the association, if it is a corporation or association, and shall be accompanied by a duly certified copy of the resolutions of the board of directors, trustees, or managers of the corporation authorizing the said secretary and president to execute the same.

Registration of dealer.

Section 7. If the commission is satisfied that the applicant is of good repute, and that the proposed plan of business of the applicant is not unfair, unjust or inequitable, it shall register the applicant and issue to him a registry certificate, stating the principal place of business and address of the dealer, the names, residences, and business addresses of all persons interested in the business as principals, officers, directors, or managing agents, and the fact that the dealer has been registered for the current calendar year as a dealer in securities. Pending final disposition of an application, the commission may, for special cause shown, grant temporary permission, revocable at any time and subject to such terms and conditions as the commission may prescribe, to transact business as a dealer under this act.

Certificate.**Temporary permission.****If commission declines to register.**

Section 8. If the commission declines or fails to so register the applicant, it shall immediately give notice of the fact to the applicant, and, upon request from such applicant filed within ten days after the receipt of such notice, shall fix a time and place for hearing of which ten days notice shall be given to such applicant and to other persons interested or protesting to offer evidence relating to the dealer's application. If satisfied as aforesaid as a result of said hearing the commission shall thereupon register the dealer.

Hearing.**Form of certificate.****Changes.**

Section 9. The certificates shall be in such form as the commission may determine. Changes in the certificates necessitated by changes in the personnel of a partnership, or in the principals, officers, directors or managing agents of any dealer, may be made at any time, upon written application setting forth the fact necessitating the change. Upon the issue of the amended certificates, the original certificate and the certified copies thereof outstanding shall be promptly surrendered to the commission.

Surrender of original.**Registration of salesmen.**

Section 10. Upon written application by a registered dealer, and upon satisfactory evidence as to the good repute, fitness, and qualification, the commission shall register, as agents or salesmen of such dealers, such persons as the dealer may request. The application shall be in such form as the commission may prescribe and shall state the residences and addresses of the persons whose registration is requested, together with such information as to such agent's or salesman's

Application.

previous history, record, and associations, as may be required by the commission. Such application shall also be signed and sworn to by the agent or salesman for whom registration is requested. The commission shall issue to each person so registered a registration certificate, stating his name and residence, the address of the dealer, and the fact that he is registered for the current calendar year as an agent or salesman, as the case may be, of the dealer. The certificate shall be in such form as the commission shall determine. Upon application by the dealer, the registration of any agent or salesman shall be canceled.

Certificate.

Section 11. All registrations shall expire at the close of the calendar year, but new registrations for the succeeding year shall be issued, upon written application and upon payment of the fee as hereinafter provided, without filing of further statements or furnishing any further information unless specifically requested by the commission. Applications for renewals must be made not less than thirty nor more than sixty days before the first day of January of the ensuing year. All applications for renewals received otherwise shall be treated as original applications: Provided, That, if an applicant is registered after December first of any year, he may immediately apply for a renewal of his registration for the ensuing year.

Expiration and renewal.

Applications for renewals.

Section 12. Any registered dealer may, and any person or company named in the registration certificate, as above provided, as an agent or salesman, may, in behalf of any dealer, sell, offer for sale or delivery, or solicit subscriptions to or orders for, or dispose or undertake to dispose of, or invite offers for, or inquiries about, securities in this State. But such dealer, agent, or salesman shall at all times, when so engaged, carry with him a registration certificate, or a copy thereof certified by the commission, which shall at any time be shown to any prospective customer upon such customer's request.

Rights of registered dealers or salesmen to sell.

Certificate to be shown upon request.

No dealer, agent, or salesman shall use the fact of his registry, by public display or advertisement, except as hereinafter expressly provided, or the registry certificate or any certified copy thereof, in connection with any sale or effort to sell any security, except to a prospective customer upon such customer's request.

Registry not to be used for display or advertisement.

Section 13. Immediately upon receipt of the dealer's registry certificate, issued pursuant to the authority of this act, the dealer named therein shall cause such certificate to be posted and at all times conspicuously displayed in such dealer's principal place of business, if one is maintained in this State, and shall likewise forthwith cause a duplicate of such certificate to be posted and at all times conspicuously displayed in each branch office located within this State.

Certificate to be posted.

Duplicates to be posted in branch offices.

Dealers not to advertise securities until after registration.

Name of dealer to be subscribed.

Copy to be filed with commission.

Publication containing false statements.

List of securities may be required by commission.

Sale or advertising may be prohibited.

Revocation of dealer's registration.

Notice of hearing.

Suspension of registration pending hearing.

Section 14. No dealer, agent, or salesman shall issue or publish within this State any circular, advertisement, pamphlet, prospectus, program, or other matter in the nature thereof, concerning any security or securities which such dealer handles or proposes to sell, until such dealer shall have been registered or temporary permission obtained as in this act provided. Nor shall any dealer, agent or salesman issue or publish within this State any circular, advertisement, pamphlet, prospectus, program, or other matter in the nature thereof, concerning any security or securities to be sold or offered for sale, unless the name of the dealer shall be subscribed thereto, and a true copy thereof filed in the office of the commission, or deposited in a United States post office, properly enclosed, envelope addressed to the commission, at Harrisburg, Pennsylvania, with the postage duly prepaid thereon. Nor shall any dealer, agent, or salesman issue or publish within this State any circular, advertisement, pamphlet, prospectus, program, or other matter in the nature thereof, after notice in writing given to him by the commission that, in the commission's opinion the same contains any statement that is false, or misleading, or otherwise likely to deceive a reader thereof.

Section 15. The commission may at any time require a dealer to file with it a list of securities which, within this State, he has offered for sale or has advertised within the preceding six months, or which he is at the time offering for sale or advertising, or any portion thereof, and thereupon, if it shall appear that any of such offerings of the dealer have not been made honestly and in good faith, but have been made with intent to deceive or defraud, it may prohibit the dealer from selling or offering such securities as have been so sold or offered or from in any way advertising them within this State.

Section 16. If the commission at any time has reason to believe any dealer has in any way violated, or is violating, or is about to violate, any of the provisions of this act, or has been guilty of any fraud or fraudulent practice, then the commission may, after hearing, and having reasonable cause to believe that the dealer has been guilty of such offense, revoke said dealer's registration. Notice of the time and place of any such hearing shall be sent to such dealer at least seven days prior thereto. If the commission believes the public interest may be endangered by such dealer continuing in business pending such hearing, the commission may also suspend such dealer's registration pending such hearing. In either event, the dealer shall not be regarded as registered under the provisions hereof until restored to registration by the commission, either on its own initiative or upon order of the court, as in this act hereinafter provided. In case

of revocation or suspension, all registration certificates shall at once be surrendered to the commission upon its request. The revocation or suspension of the dealer's registration shall constitute a revocation or suspension of any agent or salesman of the dealer, and notice of its operation on such agent's or salesman's registration shall be forthwith sent by the commission to each of such agents and salesmen.

Surrender of certificates.

Effect of revocation or suspension on salesmans' registration.

Section 17. If the commission at any time has reason to believe any agent or salesman of any dealer has in any way violated, or is violating, or is about to violate, any of the provisions of this act, or has been guilty of any fraud or fraudulent practice, then the commission may, after hearing, and having reasonable cause to believe that the agent or salesman has been guilty of such offense, revoke said agent's or salesman's registration. Notice of the time and place of such hearing shall be sent to such dealer and to such agent or salesman at least seven days prior thereto. If the commission believes the public interest may be endangered by such agent or salesman continuing in business pending such hearing, the commission may also suspend such agent's or salesman's registration pending such hearing. In either event, the agent or salesman shall not be regarded as registered under the provisions hereof until restored to registration by the commission, either on its own initiative or upon order of the court as in this act hereinafter provided. In case of revocation or suspension as a result of proceedings under this section, or in case of the revocation or suspension of an agent's or salesman's registration as a result of proceedings against a dealer under section sixteen hereof, in either such event, all agents' or salesmen's registration certificates shall at once be surrendered to the commission upon its request.

Revocation of agent's or salesman's registration.

Notice of hearing.

Suspension pending hearing.

Surrender of certificates.

Section 18. Any notice required by this act shall be sufficient if sent by registered mail addressed to the dealer, agent, or salesman, as the case may be, at the address designated in the application for registration. All testimony taken at any hearing before the commission shall be reported stenographically and a full and complete record shall be kept of all proceedings had before the commission, or any commissioner, on any hearing or investigation.

Sufficiency of notice.

Record of hearing or investigation.

All decisions of the commission shall be in writing, signed by the chairman thereof, and shall fully state the grounds therefor.

Decisions.

Section 19. Any dealer, salesman, or agent, aggrieved by any decision of the commission, may file, within thirty days thereafter, in the court of common pleas of Dauphin County, a petition against the commission, officially as defendant, alleging therein, in brief detail, the action and decision complained of

Appeal to common pleas of Dauphin County.

Answer	and praying for a reversal thereof. Upon service of a summons upon the commission, returnable within ten days from its date, the commission shall, on or before the return day, file an answer, in which it shall allege, by way of defense, the grounds for its decision. It shall also, on or before the return day of such summons, certify to the court of common pleas of Dauphin County the record of the proceedings to which the petition refers. Such record shall include the testimony taken therein, the findings of fact, if any, of the commission based upon such testimony, a copy of all orders made by the commission in the proceedings, and a copy of the action or decision of the commission which the petition calls upon the court to reverse. The cost of preparing and certifying such record shall be paid to the commission by the petitioner, and taxed as part of the costs in the case, to be paid as directed by the court upon the final determination of the case.
Board to be Certified.	
Cost of preparing and certifying record.	
Issue and hearing.	Upon the filing of the commission's answer, the case before the court of common pleas of Dauphin County shall be at issue, without further pleadings, and, upon application of either party, the case shall be advanced and heard without further delay. Mere technical irregularities in the procedure of the commission shall be disregarded.
To be heard upon the record.	The case shall be heard upon the record certified to the court by the commission. Additional testimony shall not be taken before the court, but the court may, in proper cases, remit the record to the commission for the taking of further testimony.
Appeal to Supreme Court.	From the decision of the court of common pleas of Dauphin County, an appeal may be taken by either party to the Supreme Court of Pennsylvania as in other cases.
Effect of judgment.	A judgment sustaining the refusal of the commission to grant or renew a registration shall not bar, after one year, a new application by the plaintiff for registration, nor shall a judgment in favor of the plaintiff prevent the commission from thereafter revoking or refusing to renew such registration for any proper cause which may thereafter accrue or be discovered. The court shall have full power to dispose of all costs.
Costs.	
Power to summon witnesses and to require production of records.	Section 20. The commission may require, by subpoena or summons issued by it, the attendance and testimony of witnesses and the production of any books, accounts, records, papers, and correspondence, except stock transfer books or other records or indices showing the names and addresses of stockholders, relating to any matter which the commission has authority by this act to consider or investigate, and, for this purpose, any member of the commission may sign subpoenas, administer oaths and affirmations, examine witnesses, and receive evidence: Pro-
Proviso.	

vided, however, That all information of every kind and nature contained therein shall be treated as confidential by the commission and shall not be disclosed to the public except under order of court, but nothing in this section shall be interpreted to prohibit or limit the publication of rulings or decisions of the commission. In case of disobedience of any subpoena, or of the contumacy of any witness appearing before the commission or any member thereof, the commission or any member thereof may invoke the aid of the court of common pleas, within whose jurisdiction the principal place of business of the dealer in this State is located, or of any court of common pleas in which the witness may be found, and such court may thereupon issue an order requiring the person subpoenaed to obey the subpoena, or to give evidence, or produce books, accounts, records, papers, and correspondence touching the matter in question. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

Commission may invoke aid of court.

Contempt.

Each witness required to attend before the commission or any member thereof shall receive, for each day's attendance, the sum of two (\$2.00) dollars, and shall receive in addition the sum of ten cents for each mile circular traveled by such witness by the usual route between his home and the place where his presence is required. All disbursements made in the payment of such fees shall be included in and paid in the same manner as is provided for the payment of other expenses incident to the administration and enforcement of this act as hereinafter provided for.

Payment of witnesses.

The fees for serving a subpoena shall be the same as those paid the sheriff for similar services. The fees, expenses, and cost of or in connection with any hearing may be imposed by the commission upon any party to the record, or may be divided between any or all parties to the record in such proportions as the commission may determine.

Fees for serving subpoena.

Imposition of costs.

Section 21. In any prosecution or proceeding under this act the accused shall be deemed to have knowledge of any fact or circumstance where, in the exercise of reasonable diligence, he could or should, prior to the commission of the offense complained of, have secured such knowledge.

Knowledge imputed to accused.

Section 22. Any dealer, agent, salesman, principal, officer, or employe, who shall, within this State, sell, offer for sale or delivery, solicit subscriptions to or orders for, dispose of, invite offers for or inquiries about, or who shall deal in any manner in, any security or securities, without being registered as in this act provided, or who makes any false statement of fact in any statement or matter of information required by this act to be filed with the commission, or any advertisement, prospectus, letter, telegram, circular, or in any other document, containing an

Violations.

offer to sell or to dispose of, or in or by verbal or written solicitation to purchase, or in any commendatory matter concerning any securities, with intent to aid in the disposal or purchase of the same, or who makes any false statement or representation concerning any registration made under the provision of this act, or who is guilty of any fraud or fraudulent practice, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not more than five thousand dollars (\$5,000.00), or imprisonment for not more than two years, or both. Any dealer, officer, agent, salesman, principal, officer, or employe who shall commit, in whole or in part, any other act declared unlawful by this statute, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not more than one thousand dollars (\$1,000.00), or imprisonment for not more than one year, or both.

Misdemeanor.

Penalty.

Misdemeanor.

Penalty.

Copies of papers to be evidence.

Section 23. Copies of all papers, instruments, or documents, filed in the office of the commission, certified under its seal, shall be admitted to be read in evidence in all courts of law and elsewhere in this Commonwealth in all cases where the originals would be admitted in evidence: Provided, That in any proceeding the court having jurisdiction may, on cause shown, require the production of the originals.

Act not to prevent prosecution under other statutes.

Section 24. Nothing herein contained shall limit or diminish the liability of any person or company, or of any officers or agents thereof, now imposed by law to prevent the prosecution of any person or company, or of the officers or agents thereof, for the violation of the provisions of any other statute.

Act to be administered by commission.

Section 25. The administration of the provisions of this act shall be vested in the commission. It shall be the duty of the commission to see that the provisions of this act are at all times properly administered and obeyed, and to take such measures and make such investigations as will detect the violation of any provisions thereof. In the event it shall discover any such violation, it shall, in addition to revoking any registration, take such measures as may be necessary to cause the apprehension and prosecution of all persons deemed guilty thereof.

Duty in apprehension and prosecution of offenders.

Fees.

Section 26. The commission shall charge and collect the following fees, and shall daily pay all fees received into the State Treasury:

(a) For the filing of any original or renewal application, the sum of ten (\$10.00) dollars.

(b) For each and every registration certificate, whether on an original or renewal application of a dealer, forty (\$40.00) dollars, except as hereinafter provided.

(c) For each and every registration certificate, whether on an original or renewal application of an agent or salesman, ten (\$10.00) dollars.

(d) For each and every registration certificate issued to a dealer after the first day of July of any year, twenty (\$20.00) dollars.

For copies of any papers filed in the office of the commission, or for the certification thereof, the commission shall charge such fees as it shall, by general rule or regulation, prescribe.

Section 27. Upon and after the effective date of this act, all moneys derived from fees, assessments, or charges under this act, shall be paid by the commission into the State Treasury for safe-keeping, and shall, by the State Treasurer, be placed in a separate fund, to be available for the use of the commission in the administration of this act upon requisition of the commission. All such moneys so paid into the State Treasury are hereby specifically appropriated to the commission for the purpose of paying the salaries and expenses of the commission and of all employes appointed as may now or hereafter be provided by law for the administration of this act, including any special deputy attorney or attorneys general or other counsel or attorneys assigned to or employed for the commission, and all other expenses necessary and proper for the administration of this act, including equipment and maintenance of and supplies for such offices or quarters as the commission may occupy, and rentals for such offices outside of the Capitol Buildings.

The Auditor General shall, upon requisition of the commission, from time to time, draw warrants upon the State Treasurer for the amounts specified in such requisition, not exceeding, however, the amount in such fund at the time of the making of any requisition therefor.

Section 28. The provisions of this act are severable and, in the event that any provision thereof should be declared unconstitutional, it is hereby declared that the remaining provisions would have been enacted notwithstanding such judicial determination of the invalidity of any particular provision or provisions in any respect.

Section 29. The balance remaining in the separate fund in the State Treasury, established by section thirty-two of the act approved the fourteenth day of June, one thousand nine hundred and twenty-three (Pamphlet Laws, seven hundred and seventy-nine), entitled "An act for the registration and regulation of certain individuals and entities, selling, offering for sale or delivery, soliciting subscriptions to or orders for, or undertaking to dispose of, inviting offers for or inquiries about, or dealing in any manner in, securi-

Fund.

Appropriation.

Duty of Auditor General.

Severability of act.

Appropriation of balance in fund established by act of June 14, 1923 (P. L. 779).

ties defined herein; conferring powers and imposing duties on the Commissioner of Banking, and otherwise providing for the administration of this act; prescribing penalties and making an appropriation," is hereby appropriated to the Pennsylvania Securities Commission to be used by it for the purposes specified in section 27 of this act.

Effective date.

Proviso.

Certificates issued
by Secretary of
Banking.

Section 30. This act shall become effective thirty days after the approval thereof by the Governor: Provided, however, That all registration certificates issued by the Secretary of Banking prior to the effective date of this act, under the provisions of the act approved the fourteenth day of June, one thousand nine hundred and twenty-three (Pamphlet Laws, seven hundred and seventy-nine), entitled "An act for the registration and regulation of certain individuals and entities, selling, offering for sale or delivery, soliciting subscriptions to or orders for, or undertaking to dispose of, inviting offers for or inquiries about, or dealing in any manner in, securities defined herein; conferring powers and imposing duties on the Commissioner of Banking, and otherwise providing for the administration of this act; prescribing penalties and making an appropriation," shall be valid during the period for which they were issued, unless sooner revoked or suspended by the commission for any cause for which the commission is authorized by this act to revoke or suspend a certificate of registration issued by it; and all applications and proceedings pending before the Secretary of Banking under the provisions of said act approved the fourteenth day of June, one thousand nine hundred and twenty-three, shall be continued before the commission, which shall have the same jurisdiction in disposing thereof as if said applications or proceedings had been originally filed with or brought before said commission: And provided further, That all prosecutions, and legal or other proceedings, begun by the Secretary of Banking under the provisions of said act and not completed at the time of the taking effect of this act, shall continue and remain in full force and effect, notwithstanding the passage of this act.

Proceedings pending.

Proviso.

Proceedings begun
by Secretary of
Banking.

Repeal.

Act of June 14,
1923 (P. L. 779).

Section 31. The act approved the fourteenth day of June, one thousand nine hundred and twenty-three (Pamphlet Laws, seven hundred and seventy-nine), entitled "An act for the registration and regulation of certain individuals and entities, selling, offering for sale or delivery, soliciting subscriptions to or orders for, or undertaking to dispose of, inviting offers for or inquiries about, or dealing in any manner in, securities defined herein; conferring powers and imposing duties on the Commissioner of Banking, and otherwise providing for the administration of this act; prescribing penalties; and making an appropriation," and the act ap-

Act of May 6,
1925 (P. L. 528)

proved the sixth day of May, one thousand nine hundred and twenty-five (Pamphlet Laws, five hundred and twenty-eight), entitled "An act to amend section two of the act, approved the fourteenth day of June, one thousand nine hundred and twenty-three (Pamphlet Laws, seven hundred and seventy-nine), entitled 'An act for the registration and regulation of certain individuals and entities, selling, offering for sale or delivery, soliciting subscriptions to or orders for, or undertaking to dispose of, inviting offers for or inquiries about, or dealing in any manner in, securities defined herein; conferring powers and imposing duties on the Commissioner of Banking, and otherwise providing for the administration of this act; prescribing penalties; and making an appropriation,' exempting building and loan associations, banks, savings banks, and trust companies from the provisions of the act," be and the same are hereby repealed.

APPROVED—The 13th day of April, A. D. 1927.

JOHN S. FISHER

No. 166

AN ACT

Imposing a State tax on liquid fuels, including all liquids ordinarily, practically, and commercially usable in internal combustion engines for the generation of power, including all distillates of, and condensates from, petroleum, natural gas, coal, coal tar, and vegetable ferments so usable, and sold by dealers in this Commonwealth, except for the purpose of resale, or used by consumers when no tax thereon has been collected by dealers; providing for the collection of such tax, and the creation of liens; and for the distribution and use of the revenues derived from such tax; providing for the filing of certificates and reports of the sale of such liquid fuels to dealers and consumers, as defined in this act; providing for the issuing, revoking, and use of permits; and fixing penalties.

Section 1. Be it enacted, &c., That the following words, terms, and phrases, used in this act, are, for the purpose hereof, defined as follows:

(a) The term "liquid fuels" shall mean all liquids ordinarily, practically, and commercially usable in internal combustion engines for the generation of power, and shall include all distillates of, and condensates from, petroleum, natural gas, coal, coal tar, and vegetable ferments—said distillates and condensates being ordinarily designated as gasoline, naphtha, benzol, benzine, and alcohols so usable, but not restricted to such designations.

(b) The word "dealer" shall include any person, firm, copartnership, association, or corporation, selling liquid fuels, as herein defined, to purchasers who purchase for purposes other than resale.

Liquid fuels.

Definitions.

"Liquid fuels."

"Dealer."