

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

# SENATE BILL

No. **361** Session of  
1961

---

INTRODUCED BY MESSRS. SHAFER, McMENAMIN AND  
BERGER, MARCH 7, 1961.

---

REFERRED TO COMMITTEE ON BANKING, MARCH 7, 19661

---

## AN ACT

Concerning the ownership of securities by miners providing for the transfer of and dealing with such securities and prescribing the powers duties liabilities and immunities of certain persons in their transactions in connection therewith

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows

- 1 Section 1 In this act unless the context otherwise requires
- 2 (1) "Bank" is a bank bank and trust company trust company sav-

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through is to be omitted from bill. Underscoring indicates new matter added to existing law. [Brackets] indicate matter stricken from existing law.

1 ings and loan association building and loan association national banking  
2 association or institution or savings bank

3 (2) "Broker" is a person including a bank lawfully engaged in the  
4 business of affecting transactions in securities for the account of others  
5 and includes a broker lawfully engaged in buying and selling securities  
6 for his own account

7 (3) "Issuer" is a person who places or authorizes the placing of  
8 his name on a security (other than as a transfer agent) to evidence that  
9 it represents a share participation or other interest in his property or  
10 in an enterprise or to evidence his duty to perform an obligation evi-  
11 denced by the security or who becomes responsible for or in place of  
12 any such person

13 (4) "Person" includes a corporation government or governmental  
14 subdivision or agency business trust estate trust partnership or associa-  
15 tion two or more persons having a joint or common interest or any other  
16 legal or commercial entity

17 (5) "Security" includes any note stock treasury stock bond de-  
18 benture evidence of indebtedness certificate of interest or participation  
19 in an oil gas or mining title or lease or in payment out of production

1 under such a title or lease collateral trust certificate transferable share  
2 voting trust certificate or in general any interest or instrument com-  
3 monly known as a security or any certificate or interest or participation  
4 in any temporary or interim certificate receipt or certificate of deposit  
5 for or any warrant or right to subscribe to or purchase any of the fore-  
6 going

7 (6) "Third party" is a person other than a bank broker transfer  
8 agent or issuer who with respect to a security held by a minor effects a  
9 transaction otherwise than directly with the minor

10 (7) "Transfer agent" is a person who acts as authenticating trustee  
11 transfer agent registrar or other agent for an issuer in the registration  
12 of transfers of securities in the issue of new securities or in the can-  
13 cellation of surrendered securities

14 Section 2 A bank broker issuer third party or transfer agent incurs  
15 no liability by reason of his treating a minor as having capacity to  
16 transfer a security to receive or to empower others to receive dividends  
17 interest principal or other payments or distributions to vote or give  
18 consent in person or by proxy or to make elections or exercise rights  
19 relating to the security unless prior to acting in the transaction the bank  
20 broker issuer third party or transfer agent had received written notice

1 in the office acting in the transaction that the specific security is held  
2 by a minor or unless an individual conducting the transaction for the  
3 bank broker issuer third party or transfer agent had actual knowledge  
4 of the minority of the holder of the security Except as otherwise pro-  
5 vided in this act such a bank broker issuer third party or transfer agent  
6 may assume without inquiry that the holder of a security is not a minor

7 Section 3 A minor who has transferred a security received or  
8 empowered others to receive dividends interest principal or other pay-  
9 ments or distributions voted or given consent in person or by proxy or  
10 made an election or exercised rights relating to the security has no  
11 right thereafter as against a bank broker issuer third party or transfer  
12 agent to disaffirm or avoid the transaction unless prior to acting in the  
13 transaction the bank broker issuer third party or transfer agent against  
14 whom the transaction is sought to be disaffirmed or avoided had received  
15 notice in the office acting in the transaction that the specific security  
16 is held by a minor or unless an individual conducting the transaction  
17 for the bank broker issuer third party or transfer agent had actual  
18 knowledge of the minority of the holder

19 Section 4 This act shall be so construed as to effectuate its general  
20 purpose to make uniform the laws of those states which enact it

1       Section 5 This act may be cited as the "Uniform Securities Owner-  
2 ship by Minors Act"

3       Section 6 If any provision of this act or the application thereof  
4 to any person or circumstance is held invalid the invalidity shall not  
5 affect other provisions or applications of the act which can be given  
6 effect without the invalid provision or application and to this end the  
7 provisions of this act are severable

8       Section 7 All acts and parts of acts are repealed in so far as they  
9 are inconsistent herewith

10       Section 8 This act shall take effect immediately

We certify that this bill has passed the Senate and the House of  
Representatives.

.....  
Chief Clerk, Senate

.....  
President pro tempore, Senate

.....  
Speaker, House of Representatives

Approved The ..... day of ..... A. D. 1961.

.....  
Governor