

SENATE No. 111

[Taken from the files of the preceding year at the request of Mr. Finnegan and referred to the committee on Banks and Banking.]

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Thirty-Four.

An Act relative to the Sale of Securities of Public
Utility Holding Companies.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section four of chapter one hundred and ten A
2 of the General Laws, as appearing in section one
3 of chapter two hundred and ninety of the acts of
4 nineteen hundred and thirty-two, is hereby amended
5 by striking out subdivision (d) and inserting in
6 place thereof the following:—

7 (d) Securities, other than those of any public
8 utility holding company, listed upon any stock
9 exchange in Massachusetts which had been doing
10 business continuously for the last ten years prior
11 to August twenty-sixth, nineteen hundred and
12 twenty-one, and upon any other stock exchange in
13 Massachusetts thereafter or hereafter organized
14 which the commission, for the purposes of this
15 exemption, may approve, and all securities senior

16 thereto. Any such stock exchange shall keep on
17 file with the commission the form or forms of ap-
18 plication and the rules adopted by such exchange
19 for the listing of securities, and the exemption
20 hereby created shall continue only so long as such
21 forms and rules shall be acceptable to the commis-
22 sion as indicating in substance that the requirements
23 of such exchange are adequate to guard against
24 fraud; provided, however, that any change in said
25 form of application or rules shall not affect the
26 exemption of securities listed before the adoption of
27 such change, or of securities senior thereto. For
28 the purposes of this subdivision, the words "public
29 utility holding company" shall include any corpo-
30 ration, society, trust or association (1) controlling
31 a corporation owning or operating a railroad or
32 other public service utility any of whose securities
33 are exempted under subdivision (c), herein referred
34 to as the operating company, either directly, by
35 ownership of a majority of its voting stock or of
36 such minority thereof as to give it substantial con-
37 trol of the operating company, or indirectly, by
38 ownership of such a majority or minority of the
39 voting stock of one or more other corporations,
40 societies, trusts or associations so controlling the
41 operating company, or (2) controlling the operating
42 company by any combination of such direct and
43 indirect ownership.