

HOUSE No. 1212.

Commonwealth of Massachusetts.

HOUSE OF REPRESENTATIVES, April 5, 1901.

The committee on the Judiciary, to whom was referred the petition (with accompanying bill, House, No. 736) of Kidder, Peabody & Company and others for legislation to amend the law relative to wagering contracts in securities and commodities, report the accompanying bill.

For the Committee,

WM. F. DANA.

Messrs. TAFT of Worcester and MANSFIELD of Boston, of the House, dissent.

Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and One.

AN ACT

Relative to wagering Contracts in Securities and
Commodities.

*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 1. Section two of chapter four hun-
2 dred and thirty-seven of the acts of the year
3 eighteen hundred and ninety is hereby amended
4 by striking out the same and substituting therefor
5 the following:—

6 *Section 2.* Whoever upon credit or upon
7 margin contracts to buy or sell or employs an-
8 other to buy or sell for his account, any securities
9 or commodities, having at the time the intention
10 that there shall be no actual purchase or sale,
11 may sue for and recover in an action of contract
12 from the other party to the contract, or from the
13 party so employed, any payment made, or the
14 value of anything delivered, on account thereof,
15 provided such other party to the contract or party

16 so employed had reasonable cause to believe that
17 said intention existed; but no person shall have
18 any right of action under this act if for his
19 account such other party to the contract or the
20 party so employed makes in accordance with the
21 terms of the contract or employment, personally
22 or by agent, an actual purchase or sale of said
23 securities or commodities or a valid contract
24 therefor.

1 SECTION 2. Section four of the said chapter is
2 hereby amended by striking out the same and
3 substituting therefor the following:—

4 *Section 4.* In any proceeding under this act
5 the fact that the seller or the person employing
6 another to sell for his account did not own the
7 securities or commodities at the time of the con-
8 tract of sale or at the time of the giving of the
9 order to sell, and the fact that settlements had
10 been made without the completion of the pur-
11 chase or sale of the securities and commodities
12 bought or sold or ordered to be bought or sold,
13 shall each of them be prima facie evidence that
14 within the meaning of section two there was an
15 intention that there should be no actual purchase
16 or sale, and that there was reasonable cause to
17 believe that said intention existed; and the parties
18 liable to an action under this act shall be jointly
19 and severally liable.

1 SECTION 3. This act shall take effect upon its
2 passage.

