

# HOUSE . . . . . No. 652.

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Bill accompanying the petition of Mark N. Skerrett and William Baker for further legislation relative to buying and selling securities and commodities upon credit or margin Joint Judiciary. February 1.

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## Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Four.

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### 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. In this act securities shall mean and in-  
2 clude all evidences of debt or property and options for  
3 the purchase and sale thereof, shares in any corporation,  
4 joint stock company or association, bonds, coupons, scrip,  
5 rights, choses in action, and other evidences of debt or  
6 property and options for the purchase or sale thereof.  
7 And commodities shall mean and include everything  
8 movable that is bought and sold.

1 SECTION 2. Whoever contracts to buy or sell upon  
2 credit or upon margin any securities or commodities,  
3 having at the time of contract no intention to perform  
4 the same by the actual receipt or delivery of the securi-

5 ties or commodities, and payment of the price, or who-  
6 ever employs another so to buy and sell on his behalf,  
7 may sue for and recover in an action of contract from  
8 the other party to the contract, or from the person so  
9 employed, any payment made or the value of anything  
10 delivered: *provided* such other party or other person so  
11 employed had reasonable cause to believe that no inten-  
12 tion to actually perform existed.

1 SECTION 3. When in any case under section two of  
2 this act the money or property paid or delivered has been  
3 stolen, embezzled or fraudulently or wrongfully used by  
4 the payer, the person to whom such money or property  
5 rightfully belongs shall be entitled to sue for and recover  
6 the same in an action of contract in his own name.

1 SECTION 4. In any proceeding under this act, the  
2 fact that the seller or person employing another to sell  
3 in his behalf did not own the securities or commodities  
4 at the time of the contract of sale or at the time of the  
5 giving of the order to sell, and the fact that settlements  
6 had been made without the actual delivery and receipt of  
7 the securities and commodities bought or sold or ordered  
8 to be bought or sold, shall each of them be *prima facie*  
9 evidence against both contracting parties and against the  
10 person employed by either of the contracting parties to  
11 make such contract in his behalf that no intention  
12 originally existed to actually receive and deliver the  
13 subject of the contracts, and that the contracting parties,  
14 the person employed to make such contracts and any  
15 employee of them or either of them had reasonable cause  
16 to believe that no intention to actually perform existed;  
17 and the parties liable to an action under this act shall be  
18 jointly and severally liable.

1 SECTION 5. All acts and parts of acts inconsistent  
2 herewith are hereby repealed.