

HOUSE No. 773.

Bill accompanying the petition of Frank E. Gaylord for legislation to prohibit the purchase or sale of stocks, bonds or other securities upon margin. Joint Judiciary. January 24.

Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Six.

AN ACT

To prohibit the Purchase or Sale of Securities upon
Margin.

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. No stock, bond or security of any
2 description shall be bought or sold in this Com-
3 monwealth unless at the time of purchase or sale
4 the certificate or other original instrument repre-
5 senting such stock, bond or security is actually
6 delivered by the seller to the purchaser, nor unless
7 the full price for which the same is bought or sold
8 is paid in cash by the purchaser to the seller at
9 the time of receiving such certificate or other

10 instrument representing such stock, bond or se-
11 curity.

1 SECTION 2. Any person or persons violating
2 any provision of this act shall be punished by a
3 fine of not less than one hundred dollars or more
4 than five hundred dollars; and any person or per-
5 sons who shall be guilty of a second offence under
6 this act shall be punished by a fine of not less than
7 two hundred dollars nor more than one thousand
8 dollars, or by imprisonment in the jail or house of
9 correction for not less than three months or more
10 than two years, or by both such fine and im-
11 prisonment.

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