

6 officer, or agent shall pay after a fixed date for each day such in-
 7 junction or other process is disobeyed and render judgment for
 8 penalty which shall accrue from disobedience after the time fixed.
 9 One half of such sums collected shall be paid into the treasury of
 10 the county where the judgment is rendered and one half into the
 11 state treasury.

1 SEC. 30. If any section, subsection, clause, sentence or phrase of
 2 this act is for any reason held to be unconstitutional and invalid,
 3 such decision shall not affect the validity of the remaining portions
 4 of this act. The legislature hereby declares that it would have passed
 5 this act and each section, subsection, sentence, clause or phrase
 6 thereof irrespective of the fact that any one or more of the sections,
 7 subsections, sentences, clauses or phrases be declared unconstitu-
 8 tional.

1 SEC. 31. Chapter three hundred eighty-three-D one (383-D1),
 2 Code, 1931, is repealed.

1 SEC. 32. This act, being deemed of immediate importance, shall
 2 be in force and effect after publication in Plain Talk, a newspaper
 3 published in Des Moines, Iowa, and in the Muscatine Journal, a
 4 newspaper published in Muscatine, Iowa.

House File No. 216. Approved March 9, 1934.

I hereby certify that the foregoing act was published in the Muscatine Journal,
 March 23, 1934, and Des Moines Plain Talk, March 22, 1934.

MRS. ALEX MILLER, *Secretary of State.*

CHAPTER 106

IOWA SECURITIES ACT

S. F. 227

AN ACT to amend the law regulating the sale of securities as appears in chapter three hundred ninety-three-C one (393-C1) of the Code of Iowa, 1931; to repeal paragraph "b" of section eighty-five hundred eighty-one-c four (8581-c4) relating to exempt securities; to repeal paragraph "f" of section eighty-five hundred eighty-one-c four (8581-c4) relating to exempt securities, and to enact a substitute therefor; to amend paragraph "f" of section eighty-five hundred eighty-one-c five (8581-c5) relating to exempt transactions; to amend paragraph "h" of section eighty-five hundred eighty-one-c five (8581-c5) relating to exempt transactions; to repeal paragraph "i" of section eighty-five hundred eighty-one-c five (8581-c5) relating to exempt transactions and to enact a substitute therefor; to amend section eighty-five hundred eighty-one-c six (8581-c6) relating to registration of securities; to repeal section eighty-five hundred eighty-one-c seven (8581-c7); to amend section eighty-five hundred eighty-one-c eight (8581-c8) relating to registration by qualification; to amend chapter three hundred ninety-three-C one (393-C1) relating to the Iowa securities act by inserting a section pertaining to the regulation of price and commission; to amend section eighty-five hundred eighty-one-c nine (8581-c9) relating to consent to service; to amend section eighty-five hundred eighty-one-c eleven (8581-c11) relating to registration of dealers and salesmen; to amend section eighty-five hundred eighty-one-c twelve (8581-c12) relating to deposits for special examinations; to amend chapter three hundred ninety-three-C one (393-C1) relating to the Iowa securities act by inserting a section pertaining to trust funds; to amend section eighty-five hundred eighty-one-c thirteen (8581-c13) relating to revocation of dealers' and salesmen's registration; to amend chapter three hundred ninety-three-C one (393-C1) relating

to the Iowa securities act by inserting a section pertaining to examinations and insolvency; to amend chapter three hundred ninety-three-C one (393-C1) relating to the Iowa securities act by inserting a section pertaining to transactions with insolvent dealers; to amend chapter three hundred ninety-three-C one (393-C1) relating to the Iowa securities act by inserting a section pertaining to hypothecation of customer's securities; to amend section eighty-five hundred eighty-one-c fourteen (8581-c14) relating to bonds and conditions; to amend section eighty-five hundred eighty-one-c fifteen (8581-c15) relating to burden of proof; to repeal section eighty-five hundred eighty-one-c seventeen (8581-c17) relating to injunctions and to enact a substitute therefor; to amend chapter three hundred ninety-three-C one (393-C1) relating to the Iowa securities act by inserting a section pertaining to the authority of the secretary of state.

Be it enacted by the General Assembly of the State of Iowa:

1 SECTION 1. That section eighty-five hundred eighty-one-c four
2 (8581-c4), chapter three hundred ninety-three-C one (393-C1) of the
3 Code of Iowa, 1931, be amended by striking therefrom paragraph
4 "b."

1 SEC. 2. That section eighty-five hundred eighty-one-c four (8581-
2 c4), chapter three hundred ninety-three-C one (393-C1) of the Code
3 of Iowa, 1931, be amended by striking all of paragraph "f" and sub-
4 stituting therefor the following:

5 "f. Securities appearing in any list of securities dealt in on any
6 recognized and responsible stock exchange which has been previously
7 approved by the secretary of state and which securities have been
8 so listed and dealt in on said exchange pursuant to the official author-
9 ization by such exchange, and also all securities senior to or on a par-
10 ity with any security so listed, or represented by subscription rights
11 which have been so listed, or evidences of indebtedness guaranteed
12 by companies any stock of which is so listed, such securities to be
13 exempt only so long as such listing shall remain in effect. If, after
14 application by any recognized and responsible stock exchange re-
15 questing that said exemption be granted to it, the applicant shall
16 fail to convince the secretary of state that it is entitled to such ex-
17 emption, it is hereby provided that no order of refusal shall be
18 entered until the applicant has been given due notice of not less than
19 twenty (20) days and a hearing on the reasons for such refusal.
20 The secretary of state shall have power at any time to withdraw
21 approval theretofore granted by him to any exchange, and thereupon
22 no security listed on such exchange shall be longer entitled to the
23 benefit of such exemption, only after due notice of not less than
24 twenty (20) days and a copy of the grounds upon which withdrawal
25 was based has been sent by registered mail to the main office of the
26 exchange, citing it to appear at a regularly held hearing and to
27 show cause why the exemption theretofore granted to the exchange
28 should not be withdrawn. The secretary of state shall have the
29 power and authority at any time after twenty (20) days' notice and
30 opportunity for hearing has been given to the exchange, and issuer
31 of the security involved, by registered mail, to withdraw the exemp-
32 tion of any such security listed on one or more of the exchanges that
33 had previously been granted an exemption, when, in his opinion,
34 the further sale of the security would work a fraud. Thereafter
35 such security shall not be entitled to the benefit of the exemption
36 except upon the further written order of the secretary of state."

1 SEC. 3. That paragraph "f", section eighty-five hundred eighty-
2 one-c five (8581-c5), chapter three hundred ninety-three-C one (393-
3 C1) of the Code of Iowa, 1931, be amended:

4 1. By striking from the fourth line thereof after the word "cor-
5 porations" the period.

6 2. By adding to the fourth line of said paragraph after the
7 word "corporations" the following:

8 " , subject to the approval by the secretary of state of any pro-
9 posed plan of consolidation or merger. The secretary of state shall
10 have the right to demand any information necessary to assist him
11 in determining that said plan complies with the Iowa securities act."

1 SEC. 4. That paragraph "h", section eighty-five hundred eighty-
2 one-c five (8581-c5), chapter three hundred ninety-three-C one
3 (393-C1) of the Code of Iowa, 1931, be amended by striking from
4 the twelfth line of said paragraph after the word "by" the word
5 "notification" and substituting therefor the word "qualification."

1 SEC. 5. That section eighty-five hundred eighty-one-c five
2 (8581-c5), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be amended by striking all of subdivision
4 "i" thereof, and substituting therefor the following:

5 "i. Subscriptions to capital stock made by incorporators in an
6 Iowa corporation, not exceeding twenty-five (25) in number, pro-
7 vided, that no public offering is made or commissions received for
8 such subscriptions and that such subscribers actually sign the
9 articles of incorporation in person and not by agent."

1 SEC. 6. That section eighty-five hundred eighty-one-c six
2 (8581-c6), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be amended:

4 1. By striking from the seventh line thereof after the word "by"
5 the words "notification or by."

6 2. By striking from the lines 10 and 11 after the word "if" the
7 words "the notice under section eighty-five hundred eighty-one-c
8 seven (8581-c7) or."

1 SEC. 7. That section eighty-five hundred eighty-one-c seven
2 (8581-c7), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, is hereby repealed.

1 SEC. 8. That section eighty-five hundred eighty-one-c eight
2 (8581-c8), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be amended:

4 By striking from the third line thereof after the word "state"
5 the comma and by striking from the third and fourth lines thereof
6 the words "and not entitled to registration by notification."

1 SEC. 9. That chapter three hundred ninety-three-C one (393-C1),
2 of the Code of Iowa, 1931, be amended by inserting immediately
3 after section eighty-five hundred eighty-one-c eight (8581-c8) the
4 following sections:

5 "Sec. 8581-c8a. **May limit price and commission.** The secretary
6 of state may also limit the price at which the securities, either of

7 par or no par value, may be sold, and allow a commission not to
8 exceed twenty (20) per cent of the sale price, such percentage to
9 include all expenses incidental to such sale, including advertising or
10 any other expense chargeable in any way to the sale of such
11 securities.”

1 SEC. 10. That section eighty-five hundred eighty-one-c nine
2 (8581-c9), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be amended by striking from the second,
4 third and fourth lines of said section, beginning after the word “by”
5 in line 2 thereof, the words “notification under section eighty-five
6 hundred and eighty-one-c seven (8581-c7) made by an issuer, and
7 upon any application for registration by.”

1 SEC. 11. That section eighty-five hundred eighty-one-c eleven
2 (8581-c11), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be amended by inserting immediately after
4 the word “salesmen” in line 80 thereof, the following paragraph:
5 “Every dealer shall, at such time as may be required by the secre-
6 tary of state, make and file in the office of the secretary of state, a
7 true and correct statement concerning any security sold or offered
8 for sale by such dealer, pursuant to the provisions of section eighty-
9 five hundred eighty-one-c five (8581-c5), paragraph (c), or any other
10 provisions of this act, showing the name and location of the principal
11 office of the issuer of such security, the names of its managing offi-
12 cers, if it is a corporation, or of its members, if it is a partnership;
13 its assets, liabilities, and issued capital stock, at the close of its
14 fiscal year then last ended, or at a later date; its gross income,
15 expenses, and fixed charges for the year next preceding such date,
16 or for such time as such issuer of such security has transacted busi-
17 ness, if for less than one (1) year, and the approximate price at
18 which such dealer has sold or proposes to sell such security, together
19 with such other information, of which the dealer may have knowl-
20 edge, as the secretary of state may require, nor shall any dealer sell
21 or offer for sale any security after notice in writing given to it by
22 the secretary of state, that, in his opinion, the sale thereof would
23 be unfair, unjust or inequitable to the purchaser thereof, unless the
24 secretary of state shall subsequently in writing withdraw such objec-
25 tion to the sale thereof.”

1 SEC. 12. That section eighty-five hundred eighty-one-c twelve
2 (8581-c12), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be amended by striking from the third line
4 thereof after the word “application” the word “notification.”

1 SEC. 13. That chapter three hundred ninety-three-C one
2 (393-C1), of the Code of Iowa, 1931, be amended by inserting im-
3 mediately following section eighty-five hundred eighty-one-c twelve
4 (8581-c12), the following section:

5 “Sec. 8581-c12a. **Trust funds.** Every dealer shall segregate from
6 his general fund all trust funds and items placed with said dealer
7 by any individual, firm or corporation, and shall at all times carry
8 the same in a special trust account in a reputable depository, and
9 all violations of this section shall be prosecuted as provided in sec-

10 tion eighty-five hundred eighty-one-c twenty-two (8581-c22), chap-
11 ter three hundred ninety-three-C one (393-C1), of the Code of Iowa,
12 1931."

1 SEC. 14. That section eighty-five hundred eighty-one-c thirteen
2 (8581-c13), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be amended by inserting immediately fol-
4 lowing line 21 thereof the following paragraphs:

5 "5. Has been convicted of a felony, or any misdemeanor of which
6 an essential element is fraud;

7 "6. Has made any misrepresentations or false statements to, or
8 concealed any essential or material fact from, any person in the
9 sale of a security to such person;

10 "7. Has failed to account to persons interested for all money
11 and/or property received;

12 "8. Has not delivered after a reasonable time, to persons entitled
13 thereto, securities held or agreed to be delivered by the dealer or
14 broker, as and when paid, and due to be delivered;

15 "9. Has made or is making misrepresentations of any essentials
16 or material fact to the secretary of state, or has violated a provision
17 of the laws of any foreign state regulating the sale of securities
18 therein;

19 "10. Is insolvent;

20 "11. Is selling or offering for sale securities through any solicitor
21 and agent not registered in compliance with the provisions of this
22 act;

23 "12. Has been refused a license in any state, or that any license
24 in any state theretofore granted the applicant or registrant, or any
25 officer, director, member or partner, manager or trustee thereof has
26 been canceled, suspended or withdrawn for fraudulent conduct or
27 violation of the law of such state regulating the sale of securities
28 therein;

29 "13. Is or has been using practices in the sale of securities that
30 work or tend to work a fraud;

31 "14. Has refused to furnish or give pertinent data to the secre-
32 tary of state;

33 "15. Has in the sale of a security stated that a dividend would
34 be paid thereon, when said dividend had not actually been declared
35 by the issuer thereof; or

36 "16. Has in the sale of a security, promised that such security
37 would be listed on a security exchange when no application for such
38 a listing has actually been made to the exchange."

1 SEC. 15. That section eighty-five hundred eighty-one-c thirteen
2 (8581-c13), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be amended by inserting immediately after
4 the word "suspension" in line 28 thereof the following paragraph:

5 "During the suspension and pending the hearing, the secretary
6 of state shall have access to and may compel the production of all
7 books and papers of such dealer or salesman, and he or the super-
8 intendent may administer oaths to and examine the officers of such
9 dealer or any other person connected therewith, as to its business
10 and affairs and may also require a balance sheet exhibiting assets

11 and liabilities of any such dealer or salesman or his income state-
12 ment, or both, to be certified to by a public accountant either of this
13 state or of any other state, wherever the dealer's business is located,
14 approved by the secretary of state. If any dealer shall refuse to
15 permit an examination to be made by the secretary of state, it shall
16 be proper ground for cancelation of registration."

1 SEC. 16. That chapter three hundred ninety-three-C one
2 (393-C1), of the Code of Iowa, 1931, be amended by inserting im-
3 mediately following section eighty-five hundred eighty-one-c thirteen
4 (8581-c13), of the following sections:

5 "Sec. 8581-c13a. **Examinations and insolvency.** The secretary of
6 state may compel every licensed dealer to make a report not later
7 than the tenth of each month of all securities purchased and sold
8 by such dealer and its salesmen during the preceding calendar
9 month, and the books of all dealers, whether they are duly licensed
10 or their license has been suspended, revoked or canceled, shall at all
11 times be open to examination and inspection by the secretary of
12 state or any of his employees or any person delegated to examine
13 them. If, upon examination, it is found that the dealer is insolvent
14 or if the records are in such condition that the examiner is unable
15 to determine the financial condition of the dealer, the secretary of
16 state may ask the appointment of a receiver to safeguard the inter-
17 ests of the public; the district court in Polk county or the county
18 in which such dealer has its principal place of business shall have
19 authority to appoint such receiver.

20 "Sec. 8581-c13b. **Transactions with insolvent dealer.** It shall be
21 unlawful for any person engaged in business as a broker within the
22 meaning of this act and who is insolvent, to accept or receive from
23 a customer, ignorant of such broker's insolvency, any money or
24 securities belonging to such customer otherwise than in liquidation
25 of or as security for an existing indebtedness and to thereby cause
26 the customer to lose in whole or in part any money or securities.
27 A person shall be deemed insolvent within the meaning of this act
28 whenever the aggregate of his property shall not at a fair value be
29 sufficient in amount to pay his debts.

30 "SEC. 8581-c13c. **Hypothecation of customer's securities.** It shall
31 be unlawful for any person engaged in business as a broker, within
32 the meaning of this act, who has in his possession for safekeeping
33 or otherwise any securities belonging to a customer without having
34 any lien thereon, to pledge or dispose of the same or any part thereof
35 without such customer's consent; or for one who has in his posses-
36 sion any securities belonging to a customer on which he has a lien
37 for indebtedness due him by the customer, to pledge the same or
38 any part thereof for more than the amount due to him thereon, or
39 otherwise dispose of the same or any part thereof for his own
40 benefit without the customer's consent without having other securi-
41 ties of the kind and amount to which the customer is then entitled,
42 for delivery to him upon demand therefor and tender of the amount
43 due thereon, and to thereby cause the customer to lose such securi-
44 ties or any part thereof."

1 SEC. 17. That section eighty-five hundred eighty-one-c fourteen
2 (8581-c14), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be amended:

4 By striking from the twenty-third line of said section after the
5 word "surety" the words "by a surety company authorized to do
6 business in this state" and substituting therefor the words "or
7 sureties satisfactory to the secretary of state."

1 SEC. 18. That section eighty-five hundred eighty-one-c fifteen
2 (8581-c15), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be amended by:

4 1. Striking from line 9 the word "notification" and inserting in
5 lieu thereof the word "qualification."

6 2. Striking from line 10 the figures "8581-c7" and inserting in
7 lieu thereof the figures "8581-c8."

1 SEC. 19. That section eighty-five hundred eighty-one-c seventeen
2 (8581-c17), chapter three hundred ninety-three-C one (393-C1), of
3 the Code of Iowa, 1931, be repealed and the following enacted:

4 "8581-c17. Injunctions. Whenever it shall appear to the secre-
5 tary of state, either upon complaint or otherwise, that in the
6 issuance, sale, promotion, negotiation, advertisement, or distribu-
7 tion of any securities within this state, including any security ex-
8 empted under the provisions of section four (4), and including any
9 transaction exempted under the provisions of section five (5), any
10 person, as defined in this act, shall have employed or employs, or is
11 about to employ any device, scheme or artifice to defraud or for
12 obtaining money or property by means of any false pretense, repre-
13 sentation or promise, or that any such person shall have made,
14 makes or attempts to make, in this state fictitious or pretended pur-
15 chases or sales of securities or shall have engaged in, or engages in
16 or is about to engage in any practices or transaction or course of
17 business relating to the purchase or sale of securities which is in
18 violation of law or which is fraudulent or which has operated or
19 which would operate as a fraud upon the purchaser, any one or all
20 of which devices, schemes, artifices, fictitious or pretended purchases
21 or sales of securities, practices, transactions and courses of busi-
22 ness are hereby declared to be and are hereinafter referred to as
23 fraudulent practices; or that any person acting as a dealer or sales-
24 man within this state without being duly registered as such dealer
25 or salesman as provided in this act, the secretary of state may:

26 1. Require or permit such person to file with him on such forms
27 as he may prescribe, a statement or report in writing under oath or
28 otherwise, as to all the facts and circumstances concerning the sale
29 of securities within or from this state by such person, and such
30 other data and information as may be relevant and material thereto.

31 2. Examine the promoter, seller, broker, dealer, negotiator, ad-
32 vertiser or issuer of any such securities, and any agents, employees,
33 partners, officers, directors, members or stockholders thereof, under
34 oath; and examine such records, books, documents, accounts and
35 papers as may be relevant or material to the inquiry. For this pur-
36 pose the secretary of state shall have power to require by subpoena
37 the attendance and testimony of witnesses and the production of
38 papers, and the secretary of state may sign subpoenas, administer

39 oaths, and affirmations, examine witnesses and receive evidence.
40 The fees and mileage shall be the same as prescribed by law in judi-
41 cial procedure in the courts of this state in civil cases. Any party
42 to any hearing before the secretary of state, shall have the right to
43 the attendance of witnesses in his behalf at such hearing, upon
44 making a request therefor to the secretary of state and designating
45 the person or persons sought to be subpoenaed.

46 In cases of disobedience to a subpoena the secretary of state may
47 invoke the aid of any court of competent jurisdiction in requiring
48 the attendance and testimony of witnesses and the production of
49 papers; and such court may issue an order requiring the persons
50 to appear before the secretary of state and give evidence or to pro-
51 duce papers as the case may be; and any failure to obey such order
52 of the court may be punished by the court as a contempt thereof.

53 3. In case any person shall fail or refuse to file any such state-
54 ment or report or shall fail or refuse to obey any subpoena or sum-
55 mons of the secretary of state, or to give testimony or to answer
56 questions as required, or to produce any books, records, documents,
57 accounts or papers as required, the secretary of state may apply to
58 a court of competent jurisdiction for the issuance and service of a
59 proper subpoena or summons, directing the party so required to
60 appear before the secretary of state for examination under oath
61 and to produce any books, documents or other things necessary for
62 such examination. Any person failing to comply with such court
63 subpoena or summons may be cited and punished for contempt of
64 court as in such cases provided in the courts of record.

65 4. Whenever it shall appear to the secretary of state from any
66 report or statement filed, from any examination made as provided
67 for in this act, or from any other source that any person, as defined
68 in this act, has engaged in, is engaged in or is about to engage in
69 any practice declared to be illegal and prohibited by the act, or that
70 it will be against public interest for any person, as defined in this
71 act, to issue, sell, offer for sale, purchase, offer to purchase, pro-
72 mote, negotiate, advertise or distribute any securities within or
73 from this state, he may by petition apply to a court of equity for a
74 writ of injunction or the appointment of a receiver, or both. The
75 said petition shall allege that it appears to the secretary of state
76 from an investigation made in accordance with the provisions of
77 this act, that such person, as defined in the act, is engaged in or is
78 about to engage in practices declared to be illegal and prohibited
79 or that it is against public interests for such person, as defined in
80 this act, to issue, sell, offer for sale, purchase, offer to purchase,
81 promote, negotiate, advertise or distribute any securities within or
82 from this state, which allegations may be verified generally, and on
83 the filing of said petition the court may issue an injunction re-
84 straining such person from continuing such practices or engaging
85 therein or doing any acts in furtherance thereof and/or the court
86 may issue an injunction restraining the issuance, sale, offer for sale,
87 purchase or offer to purchase, promotion, negotiation, advertisement,
88 or distribution within or from this state, of any securities by such
89 person and any agents, employees, brokers, partners, officers, direc-
90 tors or stockholders thereof, until the court shall otherwise order."

1 SEC. 20. That chapter three hundred ninety-three-C one (393-C1),
 2 of the Code of Iowa, 1931, be amended by inserting immediately
 3 after section eighty-five hundred eighty-one-c seventeen (8581-c17),
 4 the following section:
 5 "Sec. 8581-c17a. The secretary of state shall have the authority
 6 to provide the necessary rules and regulations and procedure under
 7 which all hearings, examinations or investigations as provided in
 8 this act shall be held."

1 SEC. 21. This act, being deemed of immediate importance, shall
 2 be in full force and effect from and after its passage and publication
 3 in the Cedar Rapids Gazette, a newspaper published at Cedar Rap-
 4 ids, Iowa, and the Cascade Pioneer, newspaper published at Cascade,
 5 Iowa.

Senate File No. 227. Approved March 10, 1934.

I hereby certify that the foregoing act was published in the Cedar Rapids Gazette,
 March 21, 1934, and Cascade Pioneer, March 22, 1934.

MRS. ALEX MILLER, *Secretary of State.*

CHAPTER 107

INSURANCE. INVESTMENT OF FUNDS

S. F. 277

AN ACT to amend sections eighty-seven hundred thirty-seven (8737), eighty-eight hundred twenty-nine (8829), and eighty-nine hundred twenty-seven (8927) of the Code, 1931, authorizing the investment of funds by all insurance companies and associations in bonds issued or guaranteed by the United States or the Dominion of Canada, and bonds of the Federal Home Loan Banks and bonds of Home Owners' Loan Corporation.

Be it enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Strike out all of subsection one (1) of section eighty-
 2 seven hundred thirty-seven (8737) of the Code, 1931, as amended
 3 by chapter one hundred seventeen (117), acts of the Forty-fifth
 4 General Assembly, and insert in lieu thereof the following:
 5 "1. Federal and dominion bonds. The bonds issued or guaran-
 6 teed by the United States, and farm loan bonds issued under the
 7 act of congress approved July 17, 1916, as amended, and bonds
 8 issued or guaranteed by the Dominion of Canada, and bonds of the
 9 federal home loan banks, established by act of congress known and
 10 cited as the Federal Home Loan Bank Act, and bonds of Home
 11 Owners' Loan Corporation, organized under the act of congress
 12 known and cited as the 'Home Owners' Loan Act of 1933.'"

1 SEC. 2. Strike out all of subsection one (1) of section eighty-
 2 eight hundred twenty-nine (8829) of the code, 1931, as amended
 3 by chapter one hundred seventeen (117), acts of the Forty-fifth
 4 General Assembly, and insert in lieu thereof the following:
 5 "1. Federal and dominion bonds. The bonds issued or guaran-
 6 teed by the United States, and farm loan bonds issued under the
 7 act of congress approved July 17, 1916, as amended, and bonds