

March 10, 1969
Passed on File
Commerce 3-27, Pass 4-9

SENATE FILE 383

By COMMITTEE ON COMMERCE

Passed Senate, Date 3-25-69 Passed House, Date 5-19-69

Vote: Ayes 53 Nays 1 Vote: Ayes 97 Nays 0

Approved

A BILL FOR

1 An Act relating to the prohibition of conducting, keeping,
2 or maintaining bucket shops.

3 *Be It Enacted by the General Assembly of the State of Iowa:*

4 Section 1. A bucket shop within the meaning of this Act
5 is defined to be a place wherein the proprietor or keeper
6 thereof, or the agent or employee of such proprietor or
7 keeper acting in his or its behalf, makes or offers to make
8 pretended purchases or sales, or contracts of pretended
9 purchases or sales, of shares of stock, investment securities
10 and commodities without a bona fide transaction on a board
11 of trade, exchange or market.

12 Sec. 2. It shall be a public offense for any corporation,
13 association, copartnership, person or persons, or agent to
14 conduct, keep, maintain or cause to be conducted, keep or
15 maintained, within this state, any bucket shop. Any corpora-
16 tion, person or persons, or agent whether acting individually
17 or as a member, or as an officer, agent, or employee of any
18 corporation, association, or copartnership, who shall con-
19 duct, keep, maintain, or assist in the conducting, keeping
20 and maintaining of any bucket shop within this state shall,
21 upon conviction thereof, be fined in a sum not to exceed one
22 thousand dollars or be imprisoned in the penitentiary not
23 exceeding two years.

24 Sec. 3. Any person or persons who shall be convicted of
25 a second offense under section two (2) of this Act, in addi-

1 tion to the penalty prescribed in section two (2) of this
 2 Act, may be both fined and imprisoned in the discretion of
 3 the court, and, of a corporation, it shall be liable to
 4 forfeiture of all its rights and privileges. The continuance
 5 of a bucket shop after the first conviction shall be deemed
 6 a second offense.

7 Sec. 4. Chapter five hundred fifty-two (552), Code 1966.
 8 is hereby repealed.

EXPLANATION OF SENATE FILE 383

This act regulates and makes unlawful "bucket shops" as defined in the act. Penalties are prescribed and the continuance of such a shop constitutes a second offense.

1 Amend Senate File 383 by inserting in line 11 after the period
 2 the following:
 3 "For the purposes of this Act, a bona fide transaction involv-
 4 ing the purchase or redemption of shares of an investment company
 5 registered under the federal investment company act of 1940,
 6 such investment companies being commonly referred to as 'mutual
 7 funds', shall be deemed a bona fide transaction on a board of
 8 trade, exchange or market."

Filed - *Adopted 3-25*
March 18, 1969

By KOSEK

1 Amend Senate File 383 as follows:
 2 1. Amend page 1, line 10, by striking the word
 3 "and" and inserting the word "or".
 4 2. Amend page 1, line 14, by striking the second
 5 word "keep" and inserting the word "kept".
 6 3. Amend page 1, line 20, by striking the word
 7 "and" and inserting the word "or".

Filed - *Adopted 3-25*
March 14, 1969

By RIGLER