

1.1 moves to amend H.F. No. 2853 as follows:

1.2 Page 14, after line 4, insert:

1.3 "Sec. 5. Minnesota Statutes 2012, section 61A.282, subdivision 1, is amended to read:

1.4 Subdivision 1. **Requirements.** A company's investments shall be held in its
1.5 corporate name or its nominee name, except that:

1.6 (a) Investments may be held in the name of a clearing corporation or of a custodian
1.7 bank or in the name of the nominee of either under the following conditions:

1.8 (1) The clearing corporation, custodian bank, or nominee must be legally authorized
1.9 to hold the particular investment for the account of others;

1.10 (2) Where the investment is evidenced by a certificate and held in the name of a
1.11 custodian bank or the nominee of a custodian bank, a written agreement shall provide that
1.12 certificates so deposited shall at all times be kept separate and apart from other deposits
1.13 with the depository, so that at all times they may be identified as belonging solely to the
1.14 company making the deposit; or

1.15 (3) Where a clearing corporation is to act as depository, the investment may be
1.16 merged or held in bulk in the clearing corporation's name, or in the name of its nominee,
1.17 together with any other investments deposited with the clearing corporation by any other
1.18 person, if a written agreement provides that adequate evidence of the deposit will be
1.19 obtained and retained by the company or a custodian bank.

1.20 As used in this subdivision, the term "custodian bank" means a bank or trust
1.21 company licensed by the United States or any state thereof.

1.22 (b) A company may participate, through a bank or trust company which is a member
1.23 of the Federal Reserve System, in the Federal Reserve's book-entry system, if the records
1.24 of the member bank or trust company at all times show that the investments are held for
1.25 the company and/or for specific accounts of the company.

1.26 (c) If an investment consists of an individual interest in a pool of obligations, or of a
1.27 fractional interest in a single obligation, the certificate of participation or interest, or the

2.1 confirmation of participation or interest in the investment, shall be held in the manner set
2.2 forth in paragraph (a) or held in the name of the company.

2.3 (d) Where an investment is not evidenced by a certificate, except as provided in
2.4 paragraph (b), adequate evidence of the company's investment shall be obtained from the
2.5 issuer or its transfer or recording agent and retained by the company, a custodian bank, or
2.6 clearing corporation. Adequate evidence, for purposes of this section, shall mean a written
2.7 receipt or other verification issued by the depository or issuer or a custodian bank which
2.8 shows that the investment is held for the company. Transfers of ownership of investments
2.9 held as described in paragraphs (a)(3), (b), and (c) may be evidenced by bookkeeping
2.10 entry on the books of the issuer of the investment or its transfer or recording agent or
2.11 the clearing corporation without physical delivery of certificates, if any, evidencing the
2.12 company's investment.

2.13 (e) Investments or cash posted as collateral or variation margin (other than initial
2.14 margin amounts) in connection with qualified financial contracts, as defined in section
2.15 60B.03, subdivision 22, are not subject to this subdivision."