



Senate Bill 194CS-I
AK Securities Act; Penalties; Crt. Rules
Summary of Changes
April 8, 2016

Structural Changes. The order of the sections has been reorganized. HB 194A was drafted with the new AS 45.56 Alaska Securities Act at the beginning of the bill with other statutes amended in numerical order at the end. HB 194 CS I now follows the order of the statutes amended beginning with AS 06.

Drafting. Legislative Counsel made conforming drafting and legal improvements throughout the bill including consolidating definitions into Article 7, Sec 45.56.740 or citing to existing definitions in other statutes.

Summary of Changes

Sec. 1 – 24. Renumbered from HB 194A and moved to the front of the bill. HB 194 A, Sec. 6 AS 21.42.315(k) was deleted because ‘variable annuity’ was removed from the definition of security (see Article 7 Definitions)

Sec. 25. Chapter 56. Alaska Securities Act (pg. 14)

Article 1. General Provisions. No changes.

Article 2. Exemptions from Registration of Securities. The per-investor limit for small intrastate securities offerings in 45.56.220(4) was raised from \$5,000 to \$10,000. *This change was made by committee amendment. No other changes.*

Article 3. Registration of Securities and Notice Filing of Federal Covered Securities. The words “by governmental authorities” was deleted at the end of Sec. 45.56.310(12). *This change was made by committee amendment. No other changes.*

Article 4. Broker-dealers, Agents, Investment Advisers, Investment Adviser Representatives, and Federal Covered Investment Advisers. No substantive changes.

Article 5. Fraud and Liabilities. No substantive changes.

Article 6. Administration and Judicial Review. (pp. 66-86)

Sec. 45.56.605(e) relating to the securities education and training fund was moved to a new Sec. 45.56.625 Securities investor education and training fund. Section 45.56.635(f) was deleted from the bill because variable annuity was removed from the definition of security.

Sec. 45.56.625 Jurisdiction contents were combined with **Sec. 45.56.635 Applicability of the chapter.**

Treble damages in administrative enforcement (45.56.650) and civil enforcement (45.56.655) may be awarded if the victim is a “vulnerable adult.” *This change was made by committee amendment.*

Sec. 45.56.660. Civil liability and Sec 45.56.665 Rescission Offers. The legal rate of interest for rescission and civil enforcement is the legal rate of interest under AS 09.30.970 **or eight percent a year, whichever is greater.** (Bold is new)

Article 7. Miscellaneous and Additional General Provisions.

Sec. 45.56.900. Definitions.

(23) Older Person (formerly Older Alaskan) – a natural person that is age 60 or older
(adapted from AS 47.26.290(6))

(32) Security – “variable annuity” is deleted from the definition

(36) "vulnerable adult" means a person 19 years of age or older who, because of incapacity, mental illness, mental deficiency, physical illness, physical disability, advanced age, chronic use of drugs, chronic intoxication, fraud, confinement, or disappearance, is unable to meet the persons own needs or to seek help without assistance. *Added by committee amendment.*

Sections 26-28. No substantive changes.

Section 29. “45.55.960” was deleted because it was included as part of statutes repealed, and should not be repealed.

Sections 30-35. No substantive changes.