



HB 308 Alaska Securities Act Exemptions

PREPARED BY THE DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC
DEVELOPMENT, DIVISION OF BANKING AND SECURITIES

FOR HOUSE LABOR AND COMMERCE COMMITTEE – HB 308

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HB 308 Summary

Substantive changes:

- ▶ Eliminates fee and filing requirements for certain small or limited offering exemptions from registration to:
 - ▶ 10 or fewer investors
 - ▶ 25 or fewer investors
 - ▶ Existing security holders
- ▶ Increases the division's time to review an "offer to repay" (rescission offer) from 2 to 10 days.
- ▶ Clarifies that securities issued by Alaska Native Claims Settlement Act (ANCSA) corporations in compliance with applicable federal law are exempt from registration.

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Small offering exemptions – page 2 line 21, page 3 line 20

- ▶ Limited numbers of investors
- ▶ No public solicitation or advertising
- ▶ Requires legends explaining limitations on securities resale
- ▶ Information required so investors can make informed decisions (more prescriptive if more investors involved)

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Limited offering exemption – page 4 line 19

- ▶ Limited to existing security holders
- ▶ No commission beyond a standby commission is paid.

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- ▶ Eliminates:
 - ▶ \$50 filing fee (or \$125 for expedited review)
 - ▶ Form preparation
 - ▶ 136 filings average per year/\$6,800 revenue

- ▶ Retains:
 - ▶ Investor protections (anti-fraud provisions)
 - ▶ Division's oversight and enforcement
 - ▶ Investor ability to seek rescission or monetary damages

- ▶ Increases:
 - ▶ Division time to review rescission offers from two to ten days (page 10 line 30)

Exempts ANCSA securities issued in compliance with applicable federal law.

Including ‘after-issued’ securities issued to:

- ▶ Alaska Natives born after December 18, 1971,
- ▶ descendants of Alaska Natives,
- ▶ eligible Alaska Natives who missed enrollment, and
- ▶ Alaska Native shareholders who are 65 years old or older

Alaska Securities Act 45.55.138 states “The *initial* issue of stock of a corporation organized under Alaska law pursuant to 43 U.S.C. 1601 et seq (Alaska Native Claims Settlement Act) is not a sale of a security under AS 45.55.070 and 45.55.990(28).” (emphasis added)

