

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 *CS* SENATE BILL NO. 48 *am H*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to securities registration."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 45.55.140(b)(5) is repealed and re-enacted to read:

9 (5) sales by an issuer

10 (A) to no more than 10 persons in this state other
11 than those designated in (4) of this subsection during a period
12 of 12 consecutive months whether or not the offeror or any of the
13 offerees is then present in this state, if

14 (i) no commission or other remuneration is paid
15 or given directly or indirectly for soliciting a prospective
16 buyer in this state;

17 (ii) the total dollar amount of the transaction
18 does not exceed \$100,000;

19 (iii) a legend is placed on the certificate or
20 other document evidencing ownership of the security, stating
21 that the security is not registered under this chapter and
22 cannot be resold without registration under this chapter or
23 exemption from it;

24 (iv) offers are made without public solicitation
25 or advertisement; and

26 (v) the issuer files with the administrator a
27 notice specifying the issuer, the security to be offered,
28 and the terms of the offer at least 10 days before the offer
29 is made;

1 (B) to no more than 20 persons in this state other
2 than those designated in (4) of this subsection during a period
3 of 12 consecutive months whether or not the offeror or any of the
4 offerees is then present in this state, if

5 (i) the offering is made solely in this state;

6 (ii) before any sale, each prospective buyer is
7 furnished access to the information that would be provided
8 to a prospective buyer in a registration under sec. 100 of
9 this chapter (which information shall be furnished to the
10 administrator upon his request);

11 (iii) the total dollar amount of the transaction
12 does not exceed \$500,000;

13 (iv) commissions or other remuneration meet the
14 requirements of this chapter and are made only to persons
15 registered under sec. 40 of this chapter;

16 (v) a legend is placed on the certificate or
17 other document evidencing ownership of the security, stating
18 that the security is not registered under this chapter and
19 cannot be resold without registration under this chapter or
20 exemption from it;

21 (vi) the issuer obtains a signed agreement from
22 the buyer acknowledging that he is buying for investment
23 purposes and that the securities will not be resold without
24 registration under this chapter; and

25 (vii) the issuer files with the administrator a
26 notice specifying the issuer, the security to be offered,
27 and the terms of the offer at least 10 days before the offer
28 is made;

29 * Sec. 2. AS 45.55.140(b)(16)(C) is amended to read:

1 (C) the securities have been lawfully sold and distri-
2 buted in this state [OR ANY OTHER STATE OF THE UNITED STATES]
3 under this chapter [OR ANY ACT REGULATING THE SALE OF THE SECURI-
4 TIES].

5 * Sec. 3. AS 45.55.140(d) is amended to read:

6 (d) The administrator may by order deny or revoke an exemption
7 specified in (a)(5), [OR] (7) or (11) of this section or in (b) of
8 this section with respect to a specific security or transaction. The
9 order may not be entered without appropriate prior notice to all
10 interested parties, opportunity for hearing, and written findings of
11 fact and conclusions of law, except that the administrator may by
12 order summarily deny or revoke any of the specified exemptions pending
13 final determination of a proceeding under this subsection. Upon the
14 entry of a summary order, the administrator shall promptly notify all
15 interested parties that it has been entered and of the reasons for it
16 and that within 15 days of the receipt of a written request the matter
17 will be set down for hearing. If no hearing is requested and none is
18 ordered by the administrator, the order remains in effect until it is
19 modified or vacated by the administrator. If a hearing is requested
20 or ordered, the administrator, after notice of and opportunity for
21 hearing to all interested persons, may modify or vacate the order or
22 extend it until final determination.

23 * Sec. 4. AS 45.55 is amended by adding a new section to read:

24 Sec. 45.55.225. HEARINGS: REGULATIONS. (a) The administrator
25 shall adopt regulations, consistent with the provisions of this
26 chapter, governing administrative hearings conducted by the administra-
27 tor or his designee for the following:

28 (1) orders issued under secs. 120, 140(d), or 200 of this
29 chapter; in these instances, the administrator shall promptly send a

1 notice of opportunity for hearing to the issuer of the securities and
2 to all persons who have filed with the department a notice of intention
3 to sell the securities; and

4 (2) orders issued under sec. 60 of this chapter; before the
5 administrator enters an order under sec. 60, he shall send to the
6 person involved a notice of opportunity for hearing; if the person
7 involved is an agent, then the administrator shall in addition notify
8 the employing broker-dealer, investment advisor, or issuer.

9 (b) In conducting a hearing in accordance with (a) of this
10 section, the administrator may issue a subpoena to compel the attendance
11 of any witness or party and to compel production of evidence.

12 * Sec. 5. AS 45.55.230(c) is amended to read:

13 (c) The Administrative Procedure Act applies to all [RULES,]
14 regulations [, ORDERS AND REVIEWS] issued or authorized under this
15 chapter [INCLUDING JUDICIAL REVIEW AND ITS SCOPE].
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