

Original sponsor: Rules Committee by request
of the Governor

Offered: 4/14/77
Referred: Rules

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 48

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 AS 45.55.140(b)(5) is repealed and re-enacted to read: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 than
11 those designated in (4) of this subsection during a period of 12
12 consecutive months whether or not the seller or any of the buyers
13 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 invested during a
18 period of 12 consecutive months does not exceed \$100,000;

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

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

26 (v) the issuer files with the administrator a
27 notice specifying the issuer, the security to be sold and the
28 terms of the offer at least two days before any sales are
29 made;

1 (B) to no more than 35 persons in this state other than
2 those designated in (4) of this subsection during a period of 12
3 consecutive months whether or not the seller or any of the buyers
4 is then present in this state, if

5 (i) the sales are made solely in this state;

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

11 (iii) the total dollar amount invested during a
12 period of 12 consecutive months 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 other
17 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 the
22 buyer acknowledging that he is buying for investment purposes
23 and that the securities will not be resold without registra-
24 tion under this chapter;

25 (vii) offers are made without public solicitation or
26 advertisement; and

27 (viii) the issuer files with the administrator a
28 notice specifying the issuer, the security to be offered, and
29 the terms of the offer at least two days before the offer is

1 made;

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

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

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

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

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

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

1 (1) orders issued under secs. 120, 140(d), or 200 of this
2 chapter; in these instances, the administrator shall promptly send a
3 notice of opportunity for hearing to the issuer of the securities and to
4 all persons who have filed with the department a notice of intention to
5 sell the securities; and

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

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

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

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

18 * Sec. 6. AS 45.55.040(b) is amended to read:

19 (b) The administrator may by rule or order require an applicant
20 for initial registration to publish an announcement of the application
21 in one or more specified newspapers published in this state. If no
22 denial order is in effect and no proceeding is pending under sec. 60 of
23 this chapter, registration becomes effective at noon on the thirtieth
24 day after an application is filed, except that registration becomes
25 effective upon filing of the application by any of the persons subject
26 to this chapter who were doing business in this state on May 9, 1959.
27 The administrator may by rule or order specify an earlier effective
28 date, and he may by order defer the effective date until noon of the
29 thirtieth day after the filing of an amendment. [REGISTRATION OF A

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BROKER-DEALER AUTOMATICALLY CONSTITUTES REGISTRATION OF AN AGENT WHO IS
A PARTNER, OFFICER, OR DIRECTOR, OR A PERSON OCCUPYING A SIMILAR STATUS
OR PERFORMING SIMILAR FUNCTIONS.]