

H B

143

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. JUD. 4-6-87 1:30p.m.

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/13/87

FURTHER REFERRALS:

4/8
Finance

DATE: 4-6-87

The Judiciary Committee has considered HB 143

"An Act relating to the assessment of civil penalties under the Alaska Securities Act; and providing for an effective date."

RECOMMENDS:

- replace with CS H3143 (L+C) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 2/20/87
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signature]

 Chairman's signature

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 143 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Alaska Securities Act; and
7 providing for an effective date."

8

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

9

* Section 1. AS 45.55.140(a)(5) is amended to read:

10

(5) a security [AN INVESTMENT CONTRACT] issued in connec-

11

tion with an employee's stock purchase, savings, pension, profit-

12

sharing, or similar employee's benefit plan [IF THE ADMINISTRATOR IS

13

NOTIFIED IN WRITING 30 DAYS BEFORE THE INCEPTION OF THE PLAN OR, WITH

14

RESPECT TO PLANS WHICH ARE IN EFFECT ON MAY 9, 1959, WITHIN 60 DAYS

15

THEREAFTER, OR WITHIN 30 DAYS BEFORE THEY ARE REOPENED IF THEY ARE

16

CLOSED ON MAY 9, 1959];

17

* Sec. 2. AS 45.55.200 is repealed and reenacted to read:

18

Sec. 45.55.200. ORDERS, INJUNCTIONS, AND CIVIL PENALTIES. (a)

19

If it appears ^{there is probable cause to believe} to the administrator that a person has engaged or is

20

about to engage in an act or practice in violation of a provision of

21

this chapter or regulation or order under this chapter, the adminis-

22

trator may

23

(1) in the public interest or for the protection of inves-

24

tors, issue an order

25

(A) directing the person to cease and desist from

26

continuing the act or practice;

27

(B) directing the person, for a period not to exceed

28

three years, to file the annual reports, proxies, consents or

29

authorizations, proxy statements, or other materials relating to

1 proxy solicitations required under AS 45.55.139 with the adminis-
2 trator for examination and review 10 working days before a dis-
3 tribution to shareholders; and

4 (C) voiding the proxies obtained by a person required
5 to file under AS 45.55.139, including their future exercise or
6 actions resulting from their past exercise, if the proxies were
7 solicited by means of an untrue or misleading statement pro-
8 hibited under AS 45.55.160; or

9 (2) bring an action in the superior court to enjoin the
10 acts or practices and to enforce compliance with this chapter or
11 regulation or order under this chapter, and upon a proper showing, the
12 appropriate remedy must be granted and a receiver or conservator may
13 be appointed for the defendant or the defendant's assets; the court
14 may not require the administrator to post a bond.

15 (b) The administrator may issue an order against an applicant,
16 registered person, or other person who knowingly or intentionally vio-
17 lates this chapter or a regulation or order of the administrator under
18 this chapter, imposing a civil penalty of not more than \$2,500 for a
19 single violation, or not more than \$25,000 for multiple violations, in
20 a single proceeding or a series of related proceedings. *uniform act*

21 (c) For violations not covered by (b) of this section, the
22 administrator may issue an order against an applicant, registered per-
23 son, or other person who violates this chapter or a regulation or
24 order of the administrator under this chapter, imposing a civil
25 penalty of not more than \$500 for a single violation, or not more than
26 \$5,000 for multiple violations, in a single proceeding or a series of
27 related proceedings.

28 (d) Before issuing an order under (a)(1), (b), or (c) of this
29 section, the administrator shall give reasonable notice of and an

clear and convincing evidence.

1 opportunity for a hearing. However, the administrator may issue a
2 temporary order under (a)(1) of this section pending the hearing,
3 which remains in effect until 10 days after the hearing is held and
4 which becomes final if the person to whom notice is addressed does not
5 request a hearing within 15 days after the receipt of notice.

6 * Sec. 3. AS 45.55.210(a) is amended to read:

7 (a) In addition to the civil penalties assessed under AS 45.55.-
8 200, a [A] person who wilfully violates a provision of this chapter
9 except AS 45.55.160, or who wilfully violates a regulation or order
10 under this chapter, or who wilfully violates AS 45.55.160 knowing the
11 statement made to be false or misleading in a material respect or the
12 omission to be misleading by any material respect, upon conviction, is
13 punishable by a fine of not more than \$5,000, or by imprisonment for
14 not less than one year nor more than five years, or both. Upon con-
15 viction of an individual for a felony under this chapter, imprisonment
16 for not less than one year is mandatory. However, an individual may
17 not be imprisoned for the violation of a regulation or order if the
18 individual proves that the individual had no knowledge of the regu-
19 lation or order. An indictment or information may not be returned
20 under this chapter more than five years after the alleged violation.

21 * Sec. 4. AS 45.55.260(c) is amended to read:

22 (c) For the purpose of this section, an offer to sell or to buy
23 is made in this state, whether or not either party is then present in
24 this state, when the offer

25 (1) originates from this state; [OR]

26 (2) is directed by the offeror to this state and received at
27 the place to which it is directed, or at a post office in this state
28 in the case of a mailed offer;

29 (3) is for an interest or participation in an oil, gas, or

1 mining right, title, or lease on land in the state, including sub-
2 merged land, regardless of where the offer is made;

3 (4) is for an interest or participation in payments out of
4 production under an oil, gas, or mining right, title or lease on land
5 in the state, including submerged land, regardless of where the offer
6 is made; or

7 (5) is for an interest or participation in real property
8 located in the state, or in a domestic corporation or a domestic
9 limited partnership; jurisdiction under this paragraph may be ex-
10 ercised only when the exercise is not inconsistent with the consti-
11 tution of this state or of the United States.

12 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

Adopted L^m
L+C CS

A M E N D M E N T

Offered in the HOUSE

By Gruenberg

TO: HB 143

Page 1, line 6:

Delete: "assessment of civil penalties under the"

Page 1, following line 9, insert a new bill section to read:

"* Section 1. AS 45.55.140(a)(5) is amended to read:

(5) a security [AN INVESTMENT CONTRACT] issued in connection with an employee's stock purchase, savings, pension, profit-sharing, or similar employee's benefit plan [IF THE ADMINISTRATOR IS NOTIFIED IN WRITING 30 DAYS BEFORE THE INCEPTION OF THE PLAN OR, WITH RESPECT TO PLANS WHICH ARE IN EFFECT ON MAY 9, 1959, WITHIN 60 DAYS THEREAFTER, OR WITHIN 30 DAYS BEFORE THEY ARE REOPENED IF THEY ARE CLOSED ON MAY 9, 1959];"

Page 1, line 10:

Delete "* Section 1."

Insert "* Sec. 2."

Renumber the following bill section accordingly.

Page 3, following line 11, insert a new bill section to read:

"* Sec. 4. AS 45.55.260(c) is amended to read:

(c) For the purpose of this section, an offer to sell or to buy

is made in this state, whether or not either party is then present in this state, when the offer

(1) originates from this state; [OR]

(2) is directed by the offeror to this state and received at the place to which it is directed, or at a post office in this state in the case of a mailed offer;

(3) is for an interest or participation in an oil, gas, or mining right, title, or lease on land in the state, including submerged land, regardless of where the offer is made;

(4) is for an interest or participation in payments out of production under an oil, gas, or mining right, title, or lease on land in the state, including submerged land, regardless of where the offer is made; or

(5) is for an interest or participation in real property located in the state, or in a domestic corporation or a domestic limited partnership; jurisdiction under this paragraph may be exercised only when the exercise is not inconsistent with the constitution of this state or of the United States."

Renumber the following bill section accordingly.

HOUSE AMENDMENT #1

TO: CS HB 143 (L+C)

BY: Pettyjohn

Page 3 Line 5

After "notice." insert:

Any order issued or upheld at a hearing under this section must be supported by ~~evidence~~ clean and convincing evidence

~~Adopted~~
Failed

Submit original amendment to the Chief Clerk.
It will then be numbered and duplicated.

HOUSE AMENDMENT #2

TO: CS HTB 143 CTC

BY: Pettyjohn

Page 1 Line 19

delete: "... it appears to the administrator..."

insert: "...there is probable cause to believe..."

Failed

Submit original amendment to the Chief Clerk.
It will then be numbered and duplicated.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

No. 1

Bill Version: HB 143
Publish Date: HOUSE 2/20/87

REQUEST

Bill/Resolution No.: _____
Title: An Act assessing civil penalties
under the Alaska Securities Act.
Sponsor: Rules Committee
Requestor: Governor
Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
BRU: Banking, Securities & Corporations
Components: Consumer Protection

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: Edward C. Watkins
Division: Banking, Securities & Corporations
Approved by Commissioner: _____
Agency: Commerce & Economic Development

Phone: 465-2521
Date: November 20, 1986
Date: 11/19/86

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

713143

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 18, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to amend the penalty provisions of the Alaska Securities Act.

The bill provides that the administrator of securities, generally known as the director of the division of banking, securities and corporations, Department of Commerce and Economic Development, may assess civil fines of up to \$5,000 against a person who violates the Alaska Securities Act, and up to \$25,000 if the violations are done knowingly or intentionally. These provisions of the bill are based on sec. 602(b)(4) of the Revised Uniform Securities Act, promulgated in 1985 by the National Conference of Commissioners on Uniform State Laws.

Although current Alaska law permits criminal prosecution of individuals who wilfully violate the Act (AS 45.55.210), by authorizing the department to assess civil penalties the state will be able to avoid the substantial time and expense of criminal investigation and prosecution in many cases. On a number of occasions, individuals have wilfully violated the Act and then ignored orders issued by the administrator to stop the practice, because these individuals recognized that the administrator has no authority to enforce his or her own orders. Passage of this bill would correct this problem.

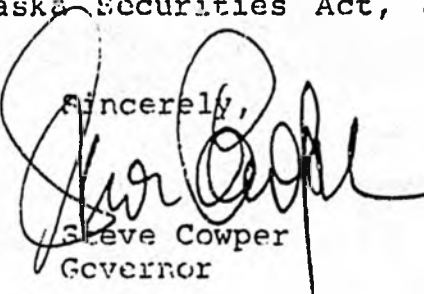
It should be noted that the assessment of civil fines is not without precedent in Alaska. For example, AS 21.09.260 and AS 21.36.320 provide that the director of the division of insurance may assess civil fines of up to \$25,000 for violations of the Alaska Insurance Code. Similarly, I am proposing legislation to provide that the commissioner of the Department of Revenue may assess a civil fine against a person who attempts to obtain permanent fund dividends by means of fraud.

Hon. Ben Grussendorf

Page 2

This bill represents a valuable tool for the Department of Commerce and Economic Development to prevent wilful violations of the Alaska Securities Act, and I urge your support of it.

Sincerely,



Steve Cowper
Governor

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

No. 1

Bill Version: HB 143
Publish Date: HOUSE 2/20/87

REQUEST

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under the Alaska Securities Act.
Sponsor: Rules Committee
Requestor: Governor
Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
BRU: Banking, Securities & Corporations
Components: Consumer Protection

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: Edward C. Watkins
Division: Banking, Securities & Corporations

Phone: 465-2521
Date: November 20, 1986

Approved by Commissioner: _____
Agency: Commerce & Economic Development

Date: 11/19/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Sec. 45.55.200. Orders and injunctions. (a) Whenever it appears to the administrator that a person has engaged or is about to engage in an act or practice in violation of any provision of this chapter or regulation or order under this chapter, the administrator may

(1) in the public interest or for the protection of investors, issue an order

(A) directing the person to cease and desist from continuing the act or practice;

(B) directing the person, for a period not to exceed three years, to file the annual reports, proxies, consents or authorizations, proxy statements, or other materials relating to proxy solicitations required under AS 45.55.139 with the administrator for examination and review 10 working days before a distribution to shareholders; and

(C) voiding any proxies obtained by a person required to file under AS 45.55.139, including their future exercise or actions resulting from their past exercise, if the proxies were solicited by means of an untrue or misleading statement prohibited under AS 45.55.160; or

(2) bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter or regulation or order under this chapter, and upon a proper showing, the appropriate remedy shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets; the court may not require the administrator to post a bond.

(b) Before issuing an order under (a)(1) of this section the administrator shall give reasonable notice of and an opportunity for a hearing. However, the administrator may issue a temporary order pending the hearing which order shall remain in effect until 10 days after the hearing is held and which shall become final if the person to whom notice is addressed does not request a hearing within 15 days after the receipt of notice. (§ 308 ch 198 SLA 1959; am § 1 ch 126 SLA 1968; am § 1 ch 65 SLA 1981; am § 107 ch 16 SLA 1982)

Effect of amendments. The 1982 amendment from the beginning of paragraph (1) of subsection (a) amendment deleted "if it is considered" subsection (a).

Sec. 45.55.210. Criminal penalties. (a) A person who wilfully violates a provision of this chapter except AS 45.55.160, or who wilfully violates a regulation or order under this chapter, or who wilfully violates AS 45.55.160 knowing the statement made to be false or misleading in a material respect or the omission to be misleading by any material respect, upon conviction, is punishable by a fine of not more than \$5,000, or by imprisonment for not less than one year nor more than five years, or both. Upon conviction of an individual for a felony under this chapter, imprisonment for not less than one year is mandatory. However, an individual may not be imprisoned for the violation of a regulation or order if the individual proves that the individual had no knowledge of the regulation or order. An indictment or information may not be returned under this chapter more than five years after the alleged violation.

HB143

ACTION
THE FIRST TIME - REFERRAL(S)
GOVERNOR'S TRANSMITTAL LETTER
FISCAL NOTE/ANALYSIS HSE SUPPL 8
7DP
REFERRAL WAIVED
TO CALENDAR
THE SECOND TIME
ADVANCED TO THIRD READING UNAN CONSENT
THE THIRD TIME HB124
Y15 N- X3
DATE SAME AS PASSAGE
ADVANCED TO (S)
THE FIRST TIME - REFERRAL(S)
SCS 4DP INR
4DP INR
CALENDAR TODAY
SECOND TIME
ADVANCED Y12 N6 A2
ADVANCED UNAN CONSENT
TO THIRD READING UNAN CONSENT
THE THIRD TIME SCSHB 124 SA AM S
N- A1

HB 126
CSHB 126 JUD
AN ACT AMENDING THE ALASKA SECURITIES ACT.

PRIME SPONSOR: RULES COMMITTEE BY REQ OF THE GOVERNOR
CO-SPONSORS:

CURRENT STATUS: (S) FIN

DATE	PAGE	ACTION
01/25/85 (H)	155	READ THE FIRST TIME - REFERRAL(S)
01/25/85 (H)	155	GOVERNOR'S TRANSMITTAL LETTER
01/25/85 (H)	155	2 FISCAL NOTES HSE SUPPL 8
02/15/85 (H)	358	L&C RPT 6DP
03/20/85 (H)	638	JUD RPT CS(JUD) 5DP
04/08/85 (H)	838	FIN RPT CS(JUD) 7DP
04/08/85 (H)	838	FISCAL NOTE HSE SUPPL 43
04/17/85 (H)	961	REVISED FISCAL NOTE HSE SUPPL 49
04/17/85 (H)	961	PLS TO CALENDAR
04/17/85 (H)	965	READ THE SECOND TIME
04/17/85 (H)	965	JUD CS ADOPTED UNAN CONSENT
04/17/85 (H)	965	ADVANCED TO THIRD READING UNAN CONSENT
04/17/85 (H)	965	READ THE THIRD TIME CSHB 126(JUD)
04/17/85 (H)	971	RET TO 2ND FOR AM 1 UNAN CONSENT

04/17/85 (H)	972	AM NO 1 FAILED Y11 N25 X3 A1
04/17/85 (H)	972	AUTOMATICALLY IN THIRD READING
04/17/85 (H)	972	PASSED Y16 N- X3 A1
04/17/85 (H)	973	TRANSMITTED TO (S)
04/18/85 (S)	838	READ THE FIRST TIME - REFERRAL(S)
04/30/85 (S)	979	L&C RPT 4DP INR
04/01/86 (S)	2194	JUD RPT SCS 4DP
		FINANCE
		RULES

HB 127

AN ACT RELATING TO NOTARIES PUBLIC.

PRIME SPONSOR: RULES COMMITTEE BY REQ OF THE GOVERNOR
CO-SPONSORS:

CURRENT STATUS: (H) JUD

DATE	PAGE	ACTION
01/25/85 (H)	156	READ THE FIRST TIME - REFERRAL(S)
01/25/85 (H)	156	GOVERNOR'S TRANSMITTAL LETTER
01/25/85 (H)	156	FISCAL NOTE HSE SUPPL 8
		JUDICIARY
		FINANCE
		RULES

HB 128
CSHB 128

AN ACT RELATING TO INTERIM MANAGEMENT OF MENTAL HEALTH TRUST FUND;
AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: SIGNALBERG
CO-SPONSORS: GRUENBERG, HOCHEK, JENKINS, KUPONEN, SZYMANSKI, MILLER, MM, COLL

CURRENT STATUS: (H) FIN

DATE	PAGE	ACTION
01/25/85 (H)	158	READ THE FIRST TIME - REFERRAL(S)
03/22/85 (H)	661	RES RPT JDP 3DP JAMRD
03/22/85 (H)	661	FISCAL NOTE HSE SUPPL 33
02/17/86 (H)	2128	SPONSOR SUBSTITUTE INTRODUCED
03/26/86 (H)	2488	RES RPT CS(RES) 3DP 4NR
03/26/86 (H)	2488	FISCAL NOTE HSE SUPPL 102
04/18/86 (H)	2772	JUD RPT CS(JUD) 5DP 2NR
		FINANCE
		RULES

HB 129

AN ACT RELATING TO COMPENSATION OF LEGISLATORS; ESTABLISHING A COMMISSION
ON LEGISLATIVE COMPENSATION; AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: SIGNALBERG

HOUSE CALENDAR: April 17, Wednesday

BILL HB0126
PAGE 00155
DATE 01/25/85
CHAMBER HOUSE
TEXT HOUSE BILL NO. 126 by the Rules Committee by request of the Governor, entitled:

"An Act amending the Alaska Securities Act."

was read the first time and referred to the Labor & Commerce, Judiciary and Finance Committees.

Two fiscal notes were attached and appear in House Journal Supplement No. 8.

The Governor's transmittal letter, dated January 25, 1985, appears below:

"Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that amends the Alaska Securities Act (AS 45.55) by extending its scope to include offers to buy or sell interests in oil, gas, or mining rights on land in the state, regardless of where the offer or sale occurs.

The bill was jointly prepared by the division of banking, securities and corporations of the Department of Commerce and Economic Development and the consumer protection section of the Department of Law in response to numerous complaints of fraudulent oil and gas lease schemes. These schemes typically involve solicitations by firms located outside Alaska who acquire an interest in oil or gas leases through bid offerings of the Department of Natural Resources or the federal Bureau of Land Management.

The lease tracts these firms acquire are often the least likely to contain valuable oil, gas, or mineral resources. However, these firms conduct massive high pressure telephone sales and media advertising aimed at would-be investors in the lower 48 states, promising them high returns if they "invest" in a portion of one of these Alaskan oil or gas leases. The offering firms often falsely represent that they have expertise in oil, gas or mineral exploration or development. What is especially offensive to our state is that these slick operators often use names such as "Alaska Oil and Gas Exploration" or "Alaska Petroleum Investments," and set up empty "shell" corporations with Alaska addresses.

This bill would broaden the Alaska Securities Act to cover these business firms even if the "investment" sales are not made in our state or to Alaska residents. Essentially, the bill would do this by extending the jurisdiction of our state securities regulators and of our courts over these fraudulent schemes. The state would be able to take legal action against these out-of-state sellers of Alaska mineral rights. By amending the Securities Act, Alaska can require these firms to file securities registrations regarding their sales, and to give prospective purchasers truthful information about the likelihood of realizing a gain on such investments.

This legislation will not affect legitimate companies engaged in oil, gas, or mineral exploration or production, as they are already exempted from the Alaska Securities Act by AS 45.55.140(b)(17).

This bill should be supported by consumer groups as well as by the legitimate members of the oil and gas industry. Therefore, I urge your prompt action on this bill to prevent further damage to the commercial image, nationwide, of Alaska.

Sincerely,
/s/
Bill Sheffield
Governor"

HB0126
00358
02/15/85
HOUSE

The Labor & Commerce Committee has considered HOUSE BILL NO. 126 (amending the Alaska Securities Act) and reports it back as follows: Navarre (Chairman), Koponen, Hanley, Pearce, Collins and Davis recommend do pass. The previous fiscal notes appearing in House Journal Supplement No. 8 were approved.

HB 126 was referred to the Judiciary Committee.

HB0126
00638
03/20/85
HOUSE

The Judiciary Committee has considered HOUSE BILL NO. 126 (amending the Alaska Securities Act), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 126 (Judiciary) (same title) and reports it back as follows: M.M. Miller (Chairman), Phillips, Pettyjohn, Taylor and Gruenberg recommend do pass.

HB 126 was referred to the Finance Committee.

HB0126
00838
04/08/85
HOUSE

The Finance Committee has considered HOUSE BILL NO. 126 (amending the Alaska Securities Act), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 126 (Judiciary) (page 638) and reports it back as follows: Adams (Chairman), Duncan, Larson, Uehling, Rieger, Frank and Cotten recommend do pass.

A new fiscal note was attached and appears in House Journal Supplement No. 43.

HB 126 was referred to the Rules Committee for placement on the calendar.

*18 do pass
p other rec.*

State of Alaska

House Majority Leader

COMMITTEES

HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES
HOUSE JUDICIARY
HOUSE RULES



P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3718
465-4968/4986

914 CLAY COURT
ANCHORAGE, ALASKA 99503
(907) 276-6844

Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

MEMORANDUM

April 6, 1987

TO: Members of the House Judiciary Committee

FROM: Max F. Gruenberg, Jr. *MFG*

RE: HB 143, "An Act relating to the Alaska Securities Act;
and providing for an effective date."

Section 1

AS 45.55.140(a)(5) Exempts securities issued in connection with an employee benefit plan from the registration requirements of the Alaska Securities Act.

Section 2

AS 45.55.200 Allows the state to assess civil penalties for violations of the Alaska Securities Act in addition to the present civil sanctions which may be imposed.

Section 3

AS 45.55.210(a) Allows the state to impose civil penalties in addition to the criminal penalties which can presently be imposed for violations of the Alaska Securities Act.

Section 4

AS 45.55.260(c) Allows the state to prosecute fraudulent out-of-state sales of Alaskan oil, gas, mining rights and other interest in Alaskan land or mineral production rights.

Section 5

Provides for an immediate effective date.

SECTIONAL ANALYSIS
CSHB 143(L&C)

Section 1

AS 45.55.140(a)(5) Exempts securities issued in connection with an employee benefit plan from the registration requirements of the Alaska Securities Act.

Section 2

AS 45.55.200 Allows the state to assess civil penalties for violations of the Alaska Securities Act in addition to the present civil sanctions which may be imposed.

Section 3

AS 45.55.210(a) Allows the state to impose civil penalties in addition to the criminal penalties which can presently be imposed for violations of the Alaska Securities Act.

Section 4

AS 45.55.260(c) Allows the state to prosecute fraudulent out-of-state sales of Alaskan oil, gas, mining rights and other interest in Alaskan land or mineral production rights.

Section 5

Provides for an immediate effective date.

State of Alaska

House Majority Leader

COMMITTEES

HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES
HOUSE JUDICIARY
HOUSE RULES



P.O. BOX V
JUNEAU, ALASKA 99811
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914 CLAY COURT
ANCHORAGE, ALASKA 99503
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Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

MEMORANDUM

DATE: April 27, 1987
TO: ALL HOUSE MEMBERS
FROM: Max F. Gruenberg, Jr. *MFG*
RE: CSHB 143(L&C), "An Act relating to the Alaska Securities Act."

HB 143 will be considered tomorrow on the House floor. It will allow the state to assess civil penalties for violations of the Alaska Securities Act in addition to, or as an alternative to, the present criminal sanctions in the act.

HB 143 was amended in the House Labor and Commerce Committee to include last year's House Bill 126. As a result, HB 143 will allow the state to prosecute fraudulent investment schemes in Alaskan oil and gas leases, land, and mineral rights as well as Alaskan corporations and limited partnerships.

HB 143 has zero fiscal notes from the Department of Law and the Department of Commerce. It will be enforced to the extent that present resources allow.

In 1985 HB 126 passed the House 36-0. HB 143 received unanimous "Do-Pass" recommendations from the Labor and Commerce Committee and the Judiciary Committee. It received ten "Do-Passes" and one "No Recommendation" from the Finance Committee.

If you have any questions, please contact my legislative assistant, Mark Handley at x3718 or myself.

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/20/87

FURTHER REFERRALS: Judiciary
Finance

DATE: 3/10/87

The Labor & Commerce Committee has considered HB 143

"An Act relating to the assessment of civil penalties under the Alaska Securities Act; and providing for an effective date."

RECOMMENDS:

- replace with CS HB143 (LTC) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

David Douley
[Signature]
[Signature]
[Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature] W. Furnace

David Douley
 Chairman's signature