

HB

486

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, AND CORPORATIONS

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May 6, 1998

The Honorable Tim Kelly
Alaska Senate
State Capitol Room 101
Juneau, AK 99801-1182

Dear Senator Kelly:

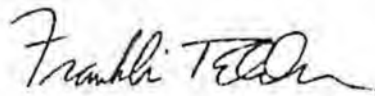
Re: CSHB 486(L&C) An Act relating to the Alaska Securities Act

We are asking for your support in passing CSHB 486(L&C) as it comes before you for a vote on the floor for the following reasons:

1. This bill brings the Alaska Securities Act into compliance with the federal law known as the National Securities Markets Improvement Act (NSMIA), thus preserving Alaska's authority to collect fees from mutual funds and investment advisers that currently amount to more than \$4 million in annual general fund revenues. A revenue source that has been growing at a 14% rate.
2. The language in the bill was drafted largely by the North American Securities Administrators Association (NASAA), an organization of state and provincial securities regulators which include every state, the District of Columbia, Puerto Rico, Mexico, and the provinces of Canada.
3. Thirty-nine other states have already passed similar legislation, and a fortieth has introduced legislation for passage this spring. Passing this bill will make Alaska the 41st state to pass it.
4. The bill is supported by the Investment Company Institute, representing the mutual fund industry, and by the Investment Counsel Association of America, representing investment advisers.
5. The bill improves access to capital markets by small businesses by adding new exemptions from registration, without compromising on investor protection.
6. The bill includes provisions that codify current filing requirements for certain ANCSA corporations, thus providing clearer statutory support for current regulations.
7. Investor protection is improved by the inclusion of language regulating investment advisers that will only be registered with the states due to NSMIA, and the provision of additional time for an investor to sue when a victim of fraud.

We ask for your support of this important legislation. Thank you.

Yours truly,



Willis F. Kirkpatrick
Director

for

Franklin Terry Elder
Senior Securities Examiner