



LAWS OF ALASKA

1977

Source

CSSB 48 am H

Chapter No.

132

AN ACT

Relating to securities registration.

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

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 AS 45.55.140(b)(5) is repealed and re-enacted to read:

(5) sales by an issuer

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

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

(ii) the total dollar amount invested during a period of 12 consecutive months does not exceed \$100,000;

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

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

(v) the issuer files with the administrator a notice specifying the issuer, the

security to be sold and the terms of the offer at least two days before any sales are made;

(B) to no more than 25 persons in this state other than those designated in (4) of this subsection during a period of 12 consecutive months whether or not the seller or any of the buyers is then present in this state, if

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

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

(iii) the total dollar amount invested during a period of 12 consecutive months does not exceed \$500,000;

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

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

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

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

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

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

(C) the securities have been lawfully sold and distributed in this state under this chapter.

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

(d) The administrator may by order deny or revoke an exemption specified in (a)(5), (7) or (11) of this section or in (b) of this section with respect to a specific security or transaction. The order may not be entered without appropriate prior notice to all interested parties, opportunity for hearing, and written findings of fact and

conclusions of law, except that the administrator may by order summarily deny or revoke any of the specified exemptions pending final determination of a proceeding under this subsection. Upon the entry of a summary order, the administrator shall promptly notify all interested parties that it has been entered and of the reasons for it and that within 15 days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the administrator, the order remains in effect until it is modified or vacated by the administrator. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to all interested persons, may modify or vacate the order or extend it until final determination.

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

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

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

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

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

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

(c) The Administrative Procedure Act applies to all regulations issued or authorized under this chapter.

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

(b) The administrator may by regulation or order require an applicant for initial registration to publish an announcement of the application in one or more specified newspapers published in this state. If no denial order is in effect and no proceeding is pending under sec. 60 of this chapter, registration becomes effective at noon on the 30th day after an application is filed, except that registration becomes effective upon filing of the application by any of the persons subject to this chapter who were doing business in this state on May 9, 1959. The administrator may by regulation or order specify an earlier effective date, and he may by order defer the effective date until noon of the

Chapter 132

30th day after the filing of an amendment.