

2016 Regular Session

HOUSE BILL NO. 521

BY REPRESENTATIVE CARMODY

SECURITIES: Provides relative to the registration of securities

1 AN ACT

2 To amend and reenact R.S. 51:705(H)(1)(introductory paragraph) and
3 709(5)(a)(introductory paragraph) and (ii) and (b) and (10), relative to Louisiana
4 Securities Law and the registration of securities; to maintain registration of securities
5 under Tier 1 of Regulation A of the Federal Securities Act of 1933; to provide a
6 notice filing requirement for securities under Tier 2 of Regulation A of the Federal
7 Securities Act of 1933; to provide an updated statutory reference; to provide a
8 limited exemption for an issuer to determine the level of interest in securities to be
9 issued under Tier 1 of Regulation A of the Federal Securities Act of 1933; and to
10 provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 51:705(H)(1)(introductory paragraph) and 709(5)(a)(introductory
13 paragraph) and (ii) and (b) and (10) are hereby amended and reenacted to read as follows:

14 §705. Registration of Securities; when and how required; delivery of prospectus

15 * * *

16 H. Registration of TIER 1 Regulation A Securities. (1) Any security that
17 qualifies under Tier 1 of Regulation A adopted ~~under~~ pursuant to Section 3(b) of the
18 Federal Securities Act of 1933, as now or hereafter amended, may be registered
19 under the terms and conditions provided in this Subsection by filing all of the
20 following:

21 * * *

1 §709. Exempt transactions

2 Except as expressly provided in this Section, R.S. 51:703 shall not apply to
3 any offer or sale of a security in connection with any transaction described in
4 Paragraph (1), (2), (6), (7), (8), (9), (11), (12), (13), or (17) of this Section, and R.S.
5 51:705 shall not apply to any offer or sale of or subscription for any security in
6 connection with any of the following transactions:

7 * * *

8 (5)(a) Any transaction in securities pursuant to a registration statement
9 effective under the Securities Act of 1933, as now or hereafter amended, or of
10 securities exempt from the registration requirements of such Act pursuant to Tier 2
11 of Regulation A, B, E, or F adopted under Section 3(b) or 3(c), ~~thereof~~ or pursuant
12 to any other exemption under such sections which the commissioner has, by rule or
13 regulation, approved, but only during the continuance of such exemption, provided
14 that the commissioner has received prior to such sale:

15 * * *

16 (ii) A copy of the initial registration statement, excluding exhibits, or the
17 notification on Uniform Notice of Regulation A - Tier 2 Offerings, Form 1-B, 1-E,
18 or 1-F, or any ~~form~~ substituted form ~~therefor~~, and related offering circular or offering
19 sheet, but excluding other exhibits, filed with the Securities and Exchange
20 Commission or, in the case of an exemption under Section 3(b) or 3(c) of such
21 Securities Act of 1933 which has been approved by the commissioner under this
22 Paragraph, copies of such information or documents as the commissioner may, by
23 rule or regulation, require.

24 * * *

25 (b) The commissioner, after receiving the items called for by Subparagraphs
26 (i) through (iv) of this Paragraph, shall issue a written and dated receipt therefor to
27 the person which executed the notice of intention to sell. In the event any offer is to
28 be made pursuant to this exemption more than twelve months after the date on which
29 the commissioner issues his receipt under this Paragraph, then it shall be necessary

1 for the issuer to file with the commissioner a copy of the prospectus which the issuer
2 is currently utilizing for the purpose of making such offer and a renewal fee as
3 provided in ~~R.S. 51:709(5)(c)~~ R.S. 51:706(H). After receiving such prospectus and
4 fee, the commissioner shall issue a written and dated receipt ~~therefor~~. The issuer
5 shall be required to comply with these renewal requirements every twelve months
6 so long as the offering shall continue in this state. The issuance by the commissioner
7 of any receipt called for by this Paragraph shall not be a condition to the
8 effectiveness of the exemption provided ~~hereby~~ within the provisions of this
9 Paragraph.

10 * * *

11 (10)(a) Any offer, but not a sale, of a security for which a registration
12 statement has been filed under the Securities Act of 1933, as now or hereafter
13 amended, if no stop order or refusal order is in effect and no public proceeding or
14 examination looking toward such an order is pending under such act.

15 (b) Any offer, but not a sale, of a Tier 1 Regulation A security under Section
16 3(b)(2) of the Securities Act of 1933, where the issuer intends to register the security
17 in multiple states using a coordinated review for these offerings, and conducts its
18 offering in compliance with federal Regulation A as promulgated by the Securities
19 and Exchange Commission.

20 Section 2. This Act shall become effective upon signature by the governor or, if not
21 signed by the governor, upon expiration of the time for bills to become law without signature
22 by the governor, as proved by Article III, Section 18 of the Constitution of Louisiana. If
23 vetoed by the governor and subsequently approved by the legislature, this Act shall become
24 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 521 Reengrossed

2016 Regular Session

Carmody

Abstract: Makes changes to Louisiana Securities Law with respect to Tier 1 and Tier 2 Regulation A securities.

Federal law (Title IV of the JOBS Act) provides 2 tier offerings of Regulation A securities: Tier 1 and Tier 2. Federal law further preempts state registrations of Tier 2 Regulation A securities.

Proposed law creates in present law a distinction between Tier 1 and Tier 2 Regulation A securities.

Present law in the state of La. provides for the registration of all Regulation A securities. Proposed law changes present law to provide for the registration of Tier 1 Regulation A securities. Further reinstates a notice filing requirement of Tier 2 Regulation A securities.

Proposed law provides provisions necessary for an issuer of securities to determine the level of interest in the state of La. for the issuance of Tier 1 Regulation A securities.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 51:705(H)(1)(intro. para.), 709(5)(a)(intro. para.) and (ii) and (b) and (10))

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Make technical corrections.