

Regular Session, 2014

HOUSE BILL NO. 1234

BY REPRESENTATIVE PONTI

SECURITIES: Provides relative to the registration of investment advisor representatives

1 AN ACT

2 To amend and reenact R.S. 51:709(5)(a)(introductory paragraph) and (ii) and to enact R.S.
3 51:705(H), relative to the registration of securities; to remove the exemption from
4 registration under the Louisiana Securities Law, relative to Regulation A securities
5 of the Federal Securities Act of 1933; to require registration under the Louisiana
6 Securities Law of Regulation A securities of the Federal Securities Act of 1933; and
7 to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

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

11 §705. Registration of securities; when and how required; delivery of prospectus

12 * * *

13 H. Registration of Regulation A Securities. (1) Any security that qualifies
14 under Regulation A adopted under Section 3(b) of the Federal Securities Act of
15 1933, as now or hereafter amended, may be registered under the terms and
16 conditions provided in this Subsection by filing all of the following:

17 (a) A notice of intention to sell executed by the issuer, any other person on
18 whose behalf the offering is to be made, a dealer registered under this Part, or any
19 duly authorized agent of any such person who sets forth the name and address of the

1 applicant, the name and address of the issuer, and the title of the securities to be
2 offered in this state.

3 (b) A copy of the notification on Form 1-A or any form substituted therefor,
4 and related offering circular or offering sheet, including other exhibits, filed with the
5 Securities and Exchange Commission.

6 (c) A filing fee of one-tenth of one per centum of the aggregate price of the
7 securities to be offered to be sold in this state. In no case shall the fee be less than
8 one hundred dollars nor more than one thousand dollars. In addition there shall be
9 a charge of two hundred fifty dollars to be used to defray the expenses of the
10 commissioner. All fees and charges paid in accordance with this Subparagraph,
11 whether paid at the time of filing or at the time of renewal, shall be transmitted to the
12 state treasurer for credit to the state general fund, except that the two hundred fifty
13 dollar fee required pursuant to this Subparagraph shall be retained by the
14 commissioner to be used for the enforcement of this Part generally.

15 (d) A consent to service of process in the form prescribed by R.S. 51:718
16 that has been executed by the person who executed the notice of intention to sell,
17 unless the person has previously filed with the commissioner an irrevocable consent
18 to service of process in the form prescribed by R.S. 51:718.

19 (2) A registration pursuant to this Subsection becomes effective when
20 ordered by the commissioner.

21 * * *

22 §709. Exempt transactions

23 Except as expressly provided in this Section, R.S. 51:703 shall not apply to
24 any offer or sale of a security in connection with any transaction described in
25 Paragraph (1), (2), (6), (7), (8), (9), (11), (12), (13), or (17) of this Section, and R.S.
26 51:705 shall not apply to any offer or sale of or subscription for any security in
27 connection with any of the following transactions:

28 * * *

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

* * *

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

* * *

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)]

Ponti

HB No. 1234

Abstract: Requires the registration of Regulation A securities pursuant to the Louisiana Securities Law.

Present law provides that Regulation A securities are exempt from the offer of sale of dealers or salesmen to sell any securities within or from the state of La. under the La. Securities Law, unless the dealer or salesman is:

- (1) Registered in the office of the commissioner pursuant to present law.
- (2) The person is registered as a dealer pursuant to present law.
- (3) The only clients of the person in the state of La. are investment companies as defined in the Investment Company Act of 1940 or insurance companies.

Proposed law removes Regulation A from the exemption under present law and requires the registration of Regulation A securities under the La. Securities Law.

Proposed law provides for the terms and conditions for registration of Regulation A securities by requiring the following:

- (1) A notice of intention to sell, executed by the issuer, any other person on whose behalf the offering is to be made, a dealer registered under present law, or any duly authorized agent of any such person who sets forth the name and address of the applicant, the name and address of the issuer, and the title of the securities to be offered in the state of La.
- (2) A copy of the notification on Form 1-A or any form substituted therefor, and related offering circular or offering sheet, including other exhibits, filed with the Securities and Exchange Commission.
- (3) A filing fee of 1/10 of 1/100 (one per centum) of the aggregate price of the securities to be offered to be sold in the state of La. In no case can the fee be less than \$100 nor more than \$1,000. Additionally, there will be a charge of \$250 to be used to defray the expenses of the commissioner. All fees and charges paid in accordance with proposed law, whether paid at the time of filing or at the time of renewal, are to be transmitted to the state treasurer for credit to the state general fund, except that the \$250 fee required pursuant to present law is retained by the commissioner to be used for the enforcement of provisions of both proposed and present law.
- (4) A consent to service of process in the form prescribed by the commission pursuant to present law, executed by the person who executed the notice of intention to sell, unless the person has previously filed with the commissioner an irrevocable consent to service of process in the form prescribed by present law (R.S. 51:718).

Registration of Regulation A securities pursuant to proposed law becomes effective when ordered by the commissioner.

(Amends R.S. 51:709(5)(a)(intro. para.) and (ii); Adds R.S. 51:705(H))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Made technical change.