
HOUSE COMMITTEE AMENDMENTS

Amendments proposed by House Committee on Labor and Industrial Relations to Original House Bill No. 411 by Representative Wooton

1 AMENDMENT NO. 1

2 On page 1, line 2, after "(B)" and before "and" insert "and R.S. 51:712(E)"

3 AMENDMENT NO. 2

4 On page 1, at the end of line 6, add "and R.S. 51:712(F),"

5 AMENDMENT NO. 3

6 On page 1, line 9, after "employment;" and before "to" insert "to provide relative to mutual
7 funds controlled by foreign law;"

8 AMENDMENT NO. 4

9 On page 16, between lines 13 and 14, insert the following:

10

11 "Section 5. R.S. 51:712(E) is hereby amended and reenacted and R.S. 51:712(F) is
12 hereby enacted to read as follows:

13 §712. Unlawful practices

14

* * *

15

E. For any rule, regulation, or order promulgated or issued by the
16 commissioner under this Part:

17

(1) If a mutual fund, when offered, sold, or purchased in this state is subject
18 to, bound by, or otherwise controlled by a foreign law, in which any part of that
19 foreign law, relevant to the security or not, would violate an existing state or federal
20 law if applied in this state, each provision, rule, regulation, or procedure of that
21 foreign law that would violate an existing state or federal law if applied in this state
22 is a material fact which must be disclosed in order to make the statements clear in
23 the light of the circumstances under which they were made.

24

(2) Failure to disclose a material fact as set forth in Paragraph (1) of this
25 Subsection shall constitute fraud or deceit.

26

(3) The provisions of this Subsection shall not be construed to limit the
27 scope of Subsections A through D of this Section.

28

F. (1) For purposes of this Subsection, the following terms shall have the
29 meanings set forth below:

30

(a) "Allocated share" shall mean any plan security held by a trustee,
31 beneficially or of record, that is allocated to the account of a participant.

32

(b) "Foreign law" shall mean any law or administrative rule, regulation, or
33 accepted and binding custom given legal effect in any jurisdiction outside of the
34 United States and its territories, or any religious or tribal law, edict, or code.

35

(c) "Investment plan" shall mean any plan, trust or similar arrangement that
36 invests in securities and that satisfies each of the following requirements:

37

(i) At least ten percent of the total number of participants are residents of or
38 domiciled in this state.

39

(ii) The trustee or a majority of the trustees are residents of or domiciled in
40 this state.

41

~~(e)~~ (d) "Issuing corporation" shall mean the issuer of a particular plan
42 security.

43

~~(f)~~ (e) "Participants" shall mean all persons who have accounts in an
44 investment plan.

1 ~~(e)~~ (f) "Plan documents" shall mean the documents and other instruments
2 pursuant to which an investment plan is established and governed.

3 ~~(f)~~ (g) "Plan security" shall mean any security that is held beneficially or of
4 record by a trustee, whether such security is at the time an allocated share,
5 unallocated share or uninstructed share.

6 ~~(g)~~ (h) "Trustee" shall mean the natural person, natural persons, entity or
7 entities named as trustee or trustees under the terms of an investment plan, in the
8 capacity as such.

9 ~~(h)~~ (i) "Unallocated share" shall mean any plan security held by a trustee,
10 beneficially or of record, that is not allocated to the account of a participant.

11 ~~(i)~~ (j) "Uninstructed share" shall mean any allocated share as to which the
12 trustee has not received, from the participant to whose account such share is
13 allocated, instructions as to how to vote such allocated share in a matter properly
14 submitted to the vote of the shareholders of the issuing corporation.

15 (2) If, with respect to any investment plan:

16 (a) The plan documents provide that participants have the right to direct in
17 a confidential manner:

18 (i) Whether any plan securities will be tendered in response to a tender or
19 exchange offer for such plan securities.

20 (ii) How any plan securities shall be voted on any particular matter to come
21 before a vote of shareholders of the issuing corporation; and

22 (b) A valid tender or exchange offer has been made for plan securities or a
23 matter has come before the vote of the shareholders of an issuing corporation
24 relating, directly or indirectly, to the possible offer or sale of plan securities, whether
25 pursuant to:

26 (i) A merger or consolidation of the issuing corporation with or into any
27 other person.

28 (ii) The sale of all or substantially all of the assets of the issuing corporation.

29 (iii) The liquidation or dissolution of the issuing corporation.

30 (iv) A contested election of directors of the issuing corporation.

31 (v) The removal or adoption of any defensive devices by the issuing
32 corporation, or otherwise, then, it shall be unlawful for the trustee not to permit
33 participants to tender or direct the voting of the plan securities in the manner set forth
34 in the plan documents, and the trustee shall have no authority or discretion
35 whatsoever to tender or vote, as the case may be, any plan securities in any manner
36 inconsistent with or contrary to the specific instructions of the participants relating
37 to such plan securities.

38 AMENDMENT NO. 5

39 On page 16, line 14, change "Section 5" to "Section 6"