

Bill as Introduced

HB 1281-FN - AS INTRODUCED

2010 SESSION

10-2482

08/09

HOUSE BILL ***1281-FN***
AN ACT relative to certain securities laws.
SPONSORS: Rep. DeStefano, Merr 13
COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill makes changes to the securities laws.

This bill is a request of the secretary of state.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Ten

AN ACT relative to certain securities laws.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Licensing Procedures. Amend RSA 421-B:7, VII(d)(1)(E) to read as follows:

2 (E) Chartered Investment Counselor (CIC) awarded by the Investment [Counsel]
3 **Advisor** Association [~~of America, Inc.~~]; or

4 2 Post Licensing Provisions; Records, Reports and Replies. Amend RSA 421-B:8, XII(g) to read
5 as follows:

6 (g) (1) All books and records required to be made under the provisions of subparagraphs
7 (a)-(e)(1) and (h) and (i), inclusive of this paragraph (except for books and records required to be
8 made under the provisions of [~~subparagraph (b)(11) and (b)(15)~~] **subparagraphs (c)(11) and**
9 **(c)(15)** of this paragraph), shall be maintained and preserved in an easily accessible place for a
10 period of not less than 5 years from the end of the fiscal year during which the last entry was made
11 on such record, the first 2 years in an appropriate office of the investment adviser.

12 (2) Partnership articles and any amendments thereto, articles of incorporation,
13 charters, minute books, and stock certificate books of the investment adviser and of any predecessor
14 shall be maintained in the principal office of the investment adviser and preserved until at least 3
15 years after termination of the enterprise.

16 (3) Books and records required to be made under the provisions of [~~subparagraphs~~
17 ~~(b)(11) and (b)(15)~~] **subparagraphs (c)(11) and (c)(15)** shall be maintained and preserved in an
18 easily accessible place for a period of not less than 5 years, the first 2 years in an appropriate office of
19 the investment adviser, from the end of the fiscal year during which the investment adviser last
20 published or otherwise disseminated, directly or indirectly, any notice, circular

21 3 Denial, Revocation, Suspension, Cancellation, and Withdrawal of Application. Amend
22 RSA 421-B:10, I(b)(7) to read as follows:

23 (7) Has engaged in dishonest or unethical practices in the securities, **commodities,**
24 **or insurance** business;

25 4 License Fees. Amend RSA 421-B:31, I(a)(4) to read as follows:

26 (4) Amended dealer's license **and investment advisor's license** fee \$100

27 5 Effective Date. This act shall take effect July 1, 2010.

LBAO
10-2482
11/04/09

HB 1281-FN - FISCAL NOTE

AN ACT relative to certain securities laws.

FISCAL IMPACT:

The Legislative Budget Assistant has determined that this legislation has a total fiscal impact of less than \$10,000 in each of the fiscal years 2010 through 2014.

Amendments

Rep. Keans, Straf. 1
January 26, 2010
2010-0318h
08/09

Amendment to HB 1281-FN

1 Amend RSA 421-B:10, I(b)(7) as inserted by section 3 of the bill by replacing it with the following:

2

3 (7) Has engaged in dishonest or unethical practices in the [~~securities-business~~]

4 *conduct of business in the state of New Hampshire or elsewhere;*

Speakers

Hearing Minutes

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 1281

BILL TITLE: relative to certain securities laws.

DATE: January 7, 2010

LOB ROOM: 302 **Time Public Hearing Called to Order:** 11:07 am

Time Adjourned: 11:30 am

(please circle if present)

Committee Members: Reps. Butler, DeStefano, Kopka, McEachern, Hammond, Nord, Winters, Meader, Gidge, Schlachman, D. Eaton, Hunt, Quandt, Belanger, D. Flanders, R. Holden, Dowling, Headd, Nevins and Palfrey. KEANS

Bill Sponsors: Rep. DeStefano

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Stephen DeStefano, sponsor – Introduced the bill.

Barry Glennon & Kevin Moquin, NH Bureau of Securities – Support the bill. Bill provides technical corrections to our statutes. Want to look at licensure issues and background.

Q: Rep. John Hunt – Concerns about comingling of insurance and licensure; we've dealt with this. Are you saying if you have a securities problem you would take away his insurance license?

A: Mr. Glennon – We could not deny securities license due to insurance problems.

Q: Rep. Chris Nevins – What insurance products are you discussing?

A: Can be broadly categorized – any insurance product licensed by the insurance department. We examine unethical practices.

Q: Rep. Rip Holden – Does your agency have the ability to communicate with the Insurance Department? Is communication issue a problem?

A: Mr. Moquin – No, we would turn issue over to appropriate department.

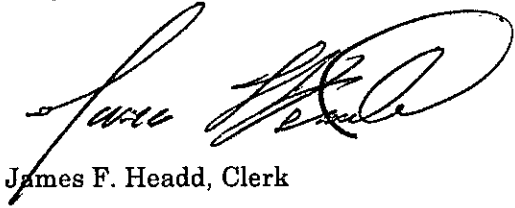
Q: Rep Hunt – Read statute; concerns felonies and refusing license. Believes cannot refuse license.

A: Mr. Glennon – Believes we can refuse a license; say theft issues would be grounds to refuse.

Q: Rep. Nord – Is fee in Part IV new?

A: Fee was never part of the statute; makes things equal.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "James F. Headd". The signature is written in a cursive style with a large, looping initial "J".

James F. Headd, Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 1281

BILL TITLE: relative to certain securities laws.

DATE: January 7, 2010

LOB ROOM: 302

Time Public Hearing Called to Order:

1107

Time Adjourned:

(please circle if present)

Committee Members: Reps. Butler, DeStefano, Kopka, McEachern, Hammond, Noro, Winters, Meade, Gidge, Schlachman, D. Eaton, Hunt, Quandt, Belange, D. Flanders, R. Holden, Downing, Headd, Nevins and Palfrey. KEANS

Bill Sponsors: Rep. DeStefano

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

1) Rep DeStefano - opened bill for

2) Barry Glennon / Kevin Moavin

Bill provides technical corrections to our statute -

wants to look at licensure issues w/ Bank groups

Q - Rep Hunt - concerns about co-mingling of assets & securities - we've dealt with this - Are you saying if you have a securities problem you would take any type of license

A. Mr. Glennon -

we could not deny ~~out~~
 security license due to insurance
 problems.

Q - Nowins - what Ins products
 are you discussing

A - Can be broadly covered.
 Any product licensed by the
 Ins. Department.

We will examine ~~unethical~~
 unethical practices -

Q - Helder - does your agency have
 the ability to comment on the
 Ins. community issues a problem

A - Many - No - we would turn
 issue over to appropriate department

Hunt - Real ESTATE - concerns
 felonies or refusing license - Believes

A - can not refuse license

A - Glennon - Believes we can refuse
 a license - by ~~not~~ theft ~~to~~
 issues would be ground to refuse.

3

AB 1281

NOAD → is Fee in part IV
new →

A-Clam Fee was under part of the statute -
only they a equal.

Sub-Committee Actions

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION ON HB 1281-FN

BILL TITLE: relative to certain securities laws.

DATE: 1-27-10

Subcommittee Members: Reps. Keans, Hunt, Meader

Comments and Recommendations: Broadens the bill to include looking at all business activities conducted in the state before denial or suspension of license.

Amendments:

Sponsor: Rep. Keans OLS Document #: 2010 0318h

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. Hunt

Seconded by Rep. Meader

Vote: 3-0

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. Hunt

Seconded by Rep. Meader

Vote: 3-0

Respectfully submitted,

Rep. Sandra Keans
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION ON HB 1281-FN

BILL TITLE: relative to certain securities laws.

DATE: 1-27-10

Subcommittee Members: Reps. KEANS, HUNT, MEADER

Comments and Recommendations: BROADENS THE BILL TO INCLUDE LOOKING AT ALL BUSINESS ACTIVITIES CONDUCTED IN THE STATE BEFORE DENIAL OR SUSPENSION OF LICENSE.

Amendments:

Sponsor: Rep. KEANS / Comm.

OLS Document #: 2010-0318h

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Motions: AMEAD
OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. HUNT

Seconded by Rep. MEADER

Vote: UNANIMOUS

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. HUNT

Seconded by Rep. MEADER

Vote: UNANIMOUS.

Respectfully submitted,

Rep. {Type NAME}
Subcommittee Chairman/Clerk

Sandra B. Keans

Rep. Keans, Straf. 1
January 26, 2010
2010-0318h
08/09

Amendment to HB 1281-FN

- 1 Amend RSA 421-B:10, I(b)(7) as inserted by section 3 of the bill by replacing it with the following:
2
3 (7) Has engaged in dishonest or unethical practices in the [~~securities business~~]
4 *conduct of business in the state of New Hampshire or elsewhere;*

Sub-Committee Minutes

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION ON 1281-FN

BILL TITLE: relative to certain securities laws.

DATE: January 19, 2010

Subcommittee Members: Reps. Keans, Meader and Hunt

Comments and Recommendations: Wait for agreed upon amendment. Scheduled another subcommittee work session for 1-27-10 at 9:45 am.

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. Sandra B. Keans
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION ON HB 1281-FN

BILL TITLE: relative to certain securities laws.

DATE: 1-19-10

Subcommittee Members: Reps. KEANS, MENDEL, HOWT

Comments and Recommendations: WAIT FOR AGREED UPON AMENDMENT
RESCHEDULED SUB COMM. 1-27-10 9:45AM RM

Amendments:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. {Type NAME}
Subcommittee Chairman/Clerk



Voting Sheets

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 1281-FN

BILL TITLE: relative to certain securities laws.

DATE: 2-4-10

LOB ROOM: 302

Amendments:

Sponsor: Rep. Keans OLS Document #: 2010 0318h

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Keans

Seconded by Rep. Meader

Vote: 16-0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Keans

Seconded by Rep. Meader

Vote: 16-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: Consent or Regular (Circle One)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. James F. Headd, Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 1281-FN

BILL TITLE: relative to certain securities laws.

DATE: 2-4-10

LOB ROOM: 302

Amendments:

Sponsor: Rep. *Keen/Meader* OLS Document #: *0318h*
Sponsor: Rep. *16-0* OLS Document #:
Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. *Keen/Meader*

Seconded by Rep.

Vote: *16-0* (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE Consent or Regular (Circle One)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. James F. Headd, Clerk

Committee Report

CONSENT CALENDAR

February 10, 2010

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on COMMERCE AND CONSUMER
AFFAIRS to which was referred HB1281-FN,**

**AN ACT relative to certain securities laws. Having
considered the same, report the same with the following
amendment, and the recommendation that the bill
OUGHT TO PASS WITH AMENDMENT.**

Rep. Sandra B Keans

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	COMMERCE AND CONSUMER AFFAIRS
Bill Number:	HB1281-FN
Title:	relative to certain securities laws.
Date:	February 4, 2010
Consent Calendar:	YES
Recommendation:	OUGHT TO PASS WITH AMENDMENT

STATEMENT OF INTENT

The bill was at the request of the Secretary of State in order to close loopholes in the statutes. In particular it gives the department the ability to deny licenses if the applicant has had problems with other agencies and departments.

Vote 16-0.

Rep. Sandra B Keans
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

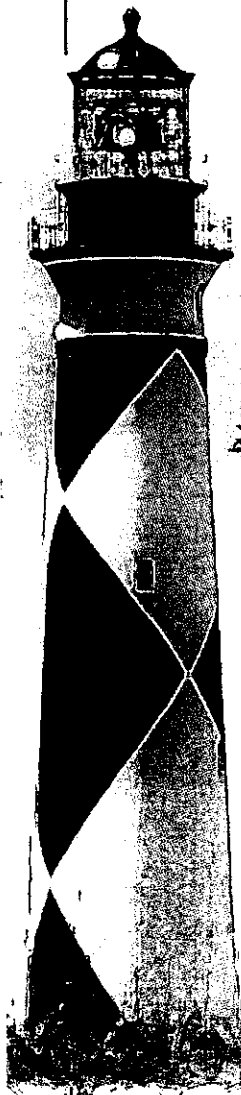
COMMERCE AND CONSUMER AFFAIRS

HB1281-FN, relative to certain securities laws. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Sandra B Keans for **COMMERCE AND CONSUMER AFFAIRS**. The bill was at the request of the Secretary of State in order to close loopholes in the statutes. In particular it gives the department the ability to deny licenses if the applicant has had problems with other agencies and departments. **Vote 16-0.**

Original: House Clerk

Cc: Committee Bill File



A Special Note...

HOUSE BILL 1281

~~CLOSES SOME LOOPHOLES~~
~~IN THE~~

WAS A REQUEST OF THE
~~SENATE~~ SEC OF
STATE IN ORDER TO
CLOSE SOME LOOPHOLES
IN THE STATUTES. IN
PARTICULAR IT GIVES
THE DEPT THE ABILITY
TO DENY LICENSES IF
THE APPLICANT HAS HAD
PROBLEMS WITH OTHER
AGENCIES AND DEPT.

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