

SB 1378

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THE STATE SENATE
Monday, February 28, 2000

Senate Bill No. 1378

SENATE BILL NO. 1378 - By: HENRY of the Senate and TOURE of the House.

An Act relating to securities; amending 71 O.S. 1991, Sections 12, as amended by Section 6, Chapter 241, O.S.L. 1992, and 16 and 412, as last amended by Sections 1 and 8, Chapter 109, O.S.L. 1999 (71 O.S. Supp. 1999, Sections 12, 16 and 412), which relate to the Department of Securities and fees and charges; modifying organization of Department; designating additional positions as being in the unclassified service; modifying portion of filing fee to be deposited in Oklahoma Department of Securities Revolving Fund; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 71 O.S. 1991, Section 12, as amended by Section 6, Chapter 241, O.S.L. 1992 (71 O.S. Supp. 1999, Section 12), is amended to read as follows:

Section 12. The internal administrative organization of the Department of Securities shall be determined by the Oklahoma Securities Commission in such manner as to promote the efficient and effective enforcement of ~~this act~~ the Oklahoma Securities Act. The Department shall include, but not be limited to, divisions relating to:

- (a) registration of broker-dealers, agents, investment advisers, and investment adviser representatives;
- (b) registration of securities; and

- 1 (c) investigation and enforcement; and
- 2 (d) investor education.

3 SECTION 2. AMENDATORY 71 O.S. 1991, Section 16, as last
4 amended by Section 1, Chapter 109, O.S.L. 1999 (71 O.S. Supp. 1999,
5 Section 16), is amended to read as follows:

6 Section 16. The Department of Securities' attorney, ~~securities~~
7 accountant, investigator, ~~securities~~ examiner, chief financial
8 officer, network administrator, ~~and~~ business manager, and investor
9 education coordinator positions shall be in the unclassified service
10 and are in no way subject to any of the provisions of the Merit
11 System of Personnel Administration or of the rules promulgated by
12 the Office of Personnel Management except those relating to leave
13 regulations.

14 SECTION 3. AMENDATORY 71 O.S. 1991, Section 412, as last
15 amended by Section 8, Chapter 109, O.S.L. 1999 (71 O.S. Supp. 1999,
16 Section 412), is amended to read as follows:

17 Section 412. (a) Unless otherwise provided for by law, the
18 following shall be the fees charged pursuant to the provisions of
19 the Oklahoma Securities Act:

- 20 (1) Broker-dealer registration fee or
- 21 renewal fee \$300.00

- 1 (2) Broker-dealer or issuer agent or
- 2 broker-dealer principal
- 3 registration fee or renewal fee..... \$50.00
- 4 (3) Broker-dealer agent on an inactive
- 5 basis, renewal fee \$10.00
- 6 (4) Investment adviser registration
- 7 fee or renewal fee \$300.00
- 8 (5) Investment adviser annual notice
- 9 filing fee..... \$300.00
- 10 (6) Investment adviser representative
- 11 registration fee or renewal fee..... \$50.00
- 12 (7) Mass transfer fee \$10.00 per agent
- 13 (8) Mailing list fee \$30.00 per year
- 14 (9) Review of sales literature package..... \$50.00
- 15 (10) Broker-dealer or investment
- 16 adviser financial or operating
- 17 reports..... \$50.00
- 18 (11) Issuer sales reports \$50.00
- 19 (12) Notice of exemption filing or
- 20 request for order of exemption..... \$250.00
- 21 (13) Interpretive opinion or no-action
- 22 request..... \$250.00
- 23 (14) Affidavit request \$10.00

1 (15) Service of process upon the
2 Administrator \$10.00
3 (16) Amendments to registration
4 statements or notice filings
5 pursuant to Section 305.2 of
6 this title involving changes to
7 the issuer's application or
8 notice filing form:
9 (A) examination fee \$50.00; and
10 (B) a filing fee computed in the
11 same manner as the filing fee
12 required pursuant to
13 paragraph (1) of subsection
14 (b) of this section for any
15 additional securities being
16 registered.
17 (17) Actual charges for an on-site examination conducted
18 pursuant to Sections 203(d) and 305(j) of this title including the
19 time spent by Department personnel in traveling to and from the
20 examination site, conducting the examination, and preparing the
21 examination report; travel expenses for meals, lodging,
22 transportation, and other related expenses; and the cost of
23 supplies, materials, photocopying, and postage. Time shall be

1 billed at Twenty-five Dollars (\$25.00) per employee hour with a
2 minimum charge per examination of Two Hundred Dollars (\$200.00).

- 3 (18) Copying fee
 - 4 (A) 8 1/2" by 14" or smaller..... \$.25 per page
 - 5 (B) Larger than 8 1/2" by 14"..... \$1.00 per page
 - 6 (C) Certified copy 8 1/2" by 14"
7 or smaller \$1.00 per page
 - 8 (D) Certified copy larger than 8
9 1/2" by 14" \$2.00 per page

10 (19) Document search fee for commercial
11 purpose..... \$20.00 per hour

12 (20) Notice filing fee for a federal
13 covered security under Section
14 18 (b) (4) of the Securities Act
15 of 1933..... \$250.00

16 (b) For the purpose of registering securities under this act,
17 any person filing a registration statement shall pay an examination
18 fee of Two Hundred Dollars (\$200.00) and a filing fee computed upon
19 the aggregate offering price of the securities sought to be
20 registered in Oklahoma as follows:

21 a fee equal to one-tenth of one percent (1/10 of 1%)
22 of said price; provided, in no event shall the filing
23 fee be less than Two Hundred Dollars (\$200.00) or more

1 than Two Thousand Five Hundred Dollars (\$2,500.00);
2 however, for securities registered pursuant to Section
3 304.1 of this title, the filing fee shall be computed
4 as follows: a fee equal to one-twentieth of one
5 percent (1/20 of 1%) of the aggregate offering price;
6 provided, in no event shall the filing fee be less
7 than One Hundred Dollars (\$100.00) or more than Two
8 Thousand Five Hundred Dollars (\$2,500.00).

9 (c) Any person making a notice filing pursuant to Section
10 305.2(a) of this title, or renewing such a filing, shall pay a
11 filing fee of Five Hundred Dollars (\$500.00) with each such notice
12 or renewal filed.

13 (d) All fees and other charges collected by the Administrator
14 shall be deposited in the General Revenue Fund with the State
15 Treasurer, except for the fees deposited in the Oklahoma Department
16 of Securities Revolving Fund.

17 (e) There is hereby created in the State Treasury a revolving
18 fund for the Oklahoma Department of Securities to be designated the
19 "Oklahoma Department of Securities Revolving Fund". The fund shall
20 be a continuing fund, not subject to fiscal year limitations, and
21 shall consist of fees and other charges collected by the
22 Administrator as follows:

1 (1) the fees collected pursuant to paragraphs (1), (4), (5),
2 (8), (14), (15), (18), and (19) of subsection (a) of this section;

3 (2) the fees collected pursuant to the provisions of Section
4 402 of this title as provided in paragraph (9) of subsection (a) of
5 this section;

6 (3) the on-site examination fees collected pursuant to
7 paragraph (17) of subsection (a) of this section, and the
8 examination fees designated in paragraph (16) of subsection (a) and
9 in subsection (b) of this section;

10 (4) the amounts collected pursuant to subsection (f) of Section
11 411 of this title set forth in paragraph (13) of subsection (a) of
12 this section; and

13 (5) ~~Fifty-five Dollars (\$55.00)~~ One Hundred Fifty Dollars
14 (\$150.00) of each filing fee collected pursuant to subsection (c) of
15 this section.

16 (f) All monies accruing to the credit of said fund are hereby
17 appropriated and may be budgeted and expended by the Oklahoma
18 Department of Securities as may be necessary to perform the duties
19 imposed upon the said Department by law. Expenditures from said
20 fund shall be made upon warrants issued by the State Treasurer
21 against claims filed as prescribed by law with the Director of State
22 Finance for approval and payment.

1 (g) At the end of each fiscal year, any unexpended monies in
2 the Oklahoma Department of Securities Revolving Fund in excess of
3 Five Hundred Thousand Dollars (\$500,000.00) shall be transferred to
4 the General Revenue Fund of the state.

5 (h) There is hereby created a petty cash fund for the Oklahoma
6 Department of Securities. The Director of State Finance and the
7 Administrator are hereby authorized and it shall be their duty to
8 fix the maximum amount of the petty cash fund, not to exceed Five
9 Hundred Dollars (\$500.00). The Director of State Finance shall
10 prescribe all forms, systems, and procedures for administering the
11 petty cash fund. The fund shall be used solely to pay:

12 (1) examination, investigation and litigation expenses of the
13 Oklahoma Department of Securities, including, but not limited to,
14 court costs, filing fees, copying fees, and witness fees, and

15 (2) incidental operating expenses of the Oklahoma Department of
16 Securities not to exceed One Hundred Dollars (\$100.00) per
17 transaction.

18 (i) Once paid, fees shall be nonrefundable.

19 SECTION 4. This act shall become effective July 1, 2000.

20 SECTION 5. It being immediately necessary for the preservation
21 of the public peace, health and safety, an emergency is hereby
22 declared to exist, by reason whereof this act shall take effect and
23 be in full force from and after its passage and approval.

1 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY, dated 2-15-00 - DO
2 PASS, As Coauthored.