STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

SENATE BILL 1378 By: Henry

AS INTRODUCED

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~~

(c) investigation and enforcement; and

(d) investor education.

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

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

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

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

(1) Broker-dealer registration fee or renewal fee..... $300.00

(2) Broker-dealer or issuer agent or broker-dealer principal registration fee or renewal fee $50.00

(3) Broker-dealer agent on an inactive basis, renewal fee $10.00

(4) Investment adviser registration fee or renewal fee $300.00

(5) Investment adviser annual notice filing fee..... $300.00

(6) Investment adviser representative registration fee or renewal fee $50.00

(7) Mass transfer fee ..... $10.00 per agent

(8) Mailing list fee ..... $30.00 per year

(9) Review of sales literature package..... $50.00

(10) Broker-dealer or investment adviser financial or operating reports..... $50.00

(11) Issuer sales reports $50.00

(12) Notice of exemption filing or request for order of exemption $250.00

(13) Interpretive opinion or no-action request..... $250.00

(14) Affidavit request $10.00

(15) Service of process upon the Administrator..... $10.00

(16) Amendments to registration statements or notice filings pursuant to Section 305.2 of this title involving changes to the issuer's application or notice filing form:

(A) examination fee ..... $50.00; and

(B) a filing fee computed in the same manner as the filing fee required pursuant to paragraph (1) of subsection (b) of this section for any additional securities being registered.

(17) Actual charges for an on-site examination conducted pursuant to Sections 203(d) and 305(j) of this title including the time spent by Department personnel in traveling to and from the examination site, conducting the examination, and preparing the examination report; travel expenses for meals, lodging, transportation, and other related expenses; and the cost of supplies, materials, photocopying, and postage. Time shall be

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

(18) Copying fee

(A) 8 1/2" by 14" or smaller ..... $.25 per page

(B) Larger than 8 1/2" by 14" ..... $1.00 per page

(C) Certified copy 8 1/2" by 14" or smaller ..... $1.00 per page

(D) Certified copy larger than 8 1/2" by 14" ..... $2.00 per page

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

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

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

a fee equal to one-tenth of one percent (1/10 of 1%) of said price; provided, in no event shall the filing fee be less than Two Hundred Dollars ($200.00) or more than Two Thousand Five Hundred Dollars ($2,500.00); however, for securities registered pursuant to Section 304.1 of this title, the filing fee shall be computed as follows: a fee equal to one-twentieth of one percent (1/20 of 1%) of the aggregate offering price; provided, in no event shall the filing fee be less than One Hundred Dollars ($100.00) or more than Two Thousand Five Hundred Dollars ($2,500.00).

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

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

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

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

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

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

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

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

(f) All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Department of Securities as may be necessary to perform the duties

imposed upon the said Department by law. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

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

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

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

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

(i) Once paid, fees shall be nonrefundable.

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

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

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