

Senate BILL NO. 288

1
2 INTRODUCED BY Tunnage
3 BY REQUEST OF THE INVESTMENT COMMISSIONER
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
6 15-2011, R.C.M. 1947, TO CLARIFY WHICH CLASS OF SECURITIES
7 IS CONSIDERED TO BE REGISTERED FOR NONISSUER TRANSACTIONS."
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10 Section 1. Section 15-2011, R.C.M. 1947, is amended to
11 read as follows:

12 "15-2011. General provisions regarding registration of
13 securities. (1) A registration statement may be filed by
14 the issuer, any other person on whose behalf the offering is
15 to be made, or a registered broker-dealer. Any document
16 filed under this act or a predecessor act within five (5)
17 years preceding the filing of a registration statement may
18 be incorporated by reference in the registration statement
19 to the extent that the document is currently accurate. The
20 commissioner may by rule or otherwise permit the omission of
21 any item of information or document from any registration
22 statement.

23 (2) The commissioner may require as a condition of
24 registration by qualification or co-ordination (1) that any
25 security issued within the past three (3) years or to be

1 issued to a promoter for a consideration substantially
2 different from the public offering price, or to any person
3 for a consideration other than cash, be deposited in escrow;
4 and (2) that the proceeds from the sale of the registered
5 security in this state be impounded until the issuer
6 receives a specified amount from the sale of the security
7 either in this state or elsewhere. The commissioner may
8 determine the conditions of any escrow or impounding
9 required hereunder but he may not reject a depository solely
10 because of location in another state.

11 (3) When securities are registered by notification,
12 co-ordination, or qualification, they may be offered and
13 sold by the issuer, any other person on whose behalf they
14 are registered or by any registered broker-dealer. Every
15 registration shall remain effective until revoked by the
16 commissioner or until terminated upon request of the
17 registrant with the consent of the commissioner; however,
18 said registration shall be automatically suspended upon a
19 stop order or suspension proceedings being instituted by the
20 securities and exchange commission relative to said
21 securities, and shall continue suspended so long as such
22 proceedings are pending and until the registration or filing
23 with the securities and exchange commission is effective.
24 All outstanding securities of the same class as a currently
25 registered security are considered to be registered for the

1 purpose of any nonissuer transaction. A registration
2 statement which has become effective may not be withdrawn
3 for one (1) year from its effective date if any securities
4 of the same class are outstanding.

5 (4) (a) The commissioner may require the person who
6 filed the registration statement to file reports to keep
7 reasonably current the information contained in the
8 registration statement and to disclose the progress of the
9 offering with respect to registered securities which (a) are
10 issued by a face-amount certificate company or a redeemable
11 security issued by an open-end management company or unit
12 investment trust as those terms are defined in the
13 Investment Company Act of 1940, or (b) are being offered and
14 sold directly by or for the account of the issuer.

15 (b) During the period of public offering in the
16 initial distribution of securities registered under the
17 provisions of this act by notification or qualification,
18 financial data or statements corresponding to those required
19 under the provisions of sections 15-2008 (2) and 15-2010,
20 and to the issuer's fiscal year, shall be filed with the
21 commissioner annually, not less than ninety (90) days after
22 the end of each such year. If such statements are not
23 certified the commissioner may verify them by examining the
24 issuer's books and records."

-End-

Approved by Committee
on Business and Industry

Senate BILL NO. 288
Turnage

1
2 INTRODUCED BY _____
3 BY REQUEST OF THE INVESTMENT COMMISSIONER
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
6 15-2011, R.C.M. 1947, TO CLARIFY WHICH CLASS OF SECURITIES
7 IS CONSIDERED TO BE REGISTERED FOR NONISSUER TRANSACTIONS."
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 15-2011, R.C.M. 1947, is amended to
11 read as follows:

12 "15-2011. General provisions regarding registration of
13 securities. (1) A registration statement may be filed by
14 the issuer, any other person on whose behalf the offering is
15 to be made, or a registered broker-dealer. Any document
16 filed under this act or a predecessor act within five (5)
17 years preceding the filing of a registration statement may
18 be incorporated by reference in the registration statement
19 to the extent that the document is currently accurate. The
20 commissioner may by rule or otherwise permit the omission of
21 any item of information or document from any registration
22 statement.

23 (2) The commissioner may require as a condition of
24 registration by qualification or co-ordination (1) that any
25 security issued within the past three (3) years or to be

1 issued to a promoter for a consideration substantially
2 different from the public offering price, or to any person
3 for a consideration other than cash, be deposited in escrow;
4 and (2) that the proceeds from the sale of the registered
5 security in this state be impounded until the issuer
6 receives a specified amount from the sale of the security
7 either in this state or elsewhere. The commissioner may
8 determine the conditions of any escrow or impounding
9 required hereunder but he may not reject a depository solely
10 because of location in another state.

11 (3) When securities are registered by notification,
12 co-ordination, or qualification, they may be offered and
13 sold by the issuer, any other person on whose behalf they
14 are registered or by any registered broker-dealer. Every
15 registration shall remain effective until revoked by the
16 commissioner or until terminated upon request of the
17 registrant with the consent of the commissioner; however,
18 said registration shall be automatically suspended upon a
19 stop order or suspension proceedings being instituted by the
20 securities and exchange commission relative to said
21 securities, and shall continue suspended so long as such
22 proceedings are pending and until the registration or filing
23 with the securities and exchange commission is effective.
24 All outstanding securities of the same class as a currently
25 registered security are considered to be registered for the

SECOND READING

SB 288

1 purpose of any nonissuer transaction. A registration
2 statement which has become effective may not be withdrawn
3 for one (1) year from its effective date if any securities
4 of the same class are outstanding.

5 (4) (a) The commissioner may require the person who
6 filed the registration statement to file reports to keep
7 reasonably current the information contained in the
8 registration statement and to disclose the progress of the
9 offering with respect to registered securities which (a) are
10 issued by a face-amount certificate company or a redeemable
11 security issued by an open-end management company or unit
12 investment trust as those terms are defined in the
13 Investment Company Act of 1940, or (b) are being offered and
14 sold directly by or for the account of the issuer.

15 (b) During the period of public offering in the
16 initial distribution of securities registered under the
17 provisions of this act by notification or qualification,
18 financial data or statements corresponding to those required
19 under the provisions of sections 15-2008 (2) and 15-2010,
20 and to the issuer's fiscal year, shall be filed with the
21 commissioner annually, not less than ninety (90) days after
22 the end of each such year. If such statements are not
23 certified the commissioner may verify them by examining the
24 issuer's books and records."

-End-

Senate BILL NO. 288

1 INTRODUCTION BY Turnage

3 BY REQUEST OF THE INVESTMENT COMMISSIONER

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
6 15-2011, R.C.M. 1947, TO CLARIFY WHICH CLASS OF SECURITIES
7 IS CONSIDERED TO BE REGISTERED FOR NONISSUER TRANSACTIONS."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 15-2011, R.C.M. 1947, is amended to
11 read as follows:

12 "15-2011. General provisions regarding registration of
13 securities. (1) A registration statement may be filed by
14 the issuer, any other person on whose behalf the offering is
15 to be made, or a registered broker-dealer. Any document
16 filed under this act or a predecessor act within five (5)
17 years preceding the filing of a registration statement may
18 be incorporated by reference in the registration statement
19 to the extent that the document is currently accurate. The
20 commissioner may by rule or otherwise permit the omission of
21 any item of information or document from any registration
22 statement.

23 (2) The commissioner may require as a condition of
24 registration by qualification or co-ordination (1) that any
25 security issued within the past three (3) years or to be

1 issued to a promoter for a consideration substantially
2 different from the public offering price, or to any person
3 for a consideration other than cash, be deposited in escrow;
4 and (2) that the proceeds from the sale of the registered
5 security in this state be impounded until the issuer
6 receives a specified amount from the sale of the security
7 either in this state or elsewhere. The commissioner may
8 determine the conditions of any escrow or impounding
9 required hereunder but he may not reject a depository solely
10 because of location in another state.

11 (3) When securities are registered by notification,
12 co-ordination, or qualification, they may be offered and
13 sold by the issuer, any other person on whose behalf they
14 are registered or by any registered broker-dealer. Every
15 registration shall remain effective until revoked by the
16 commissioner or until terminated upon request of the
17 registrant with the consent of the commissioner; however,
18 said registration shall be automatically suspended upon a
19 stop order or suspension proceedings being instituted by the
20 securities and exchange commission relative to said
21 securities, and shall continue suspended so long as such
22 proceedings are pending and until the registration or filing
23 with the securities and exchange commission is effective.
24 All outstanding securities of the same class as a currently
25 registered security are considered to be registered for the

1 purpose of any nonissuer transaction. A registration
2 statement which has become effective may not be withdrawn
3 for one (1) year from its effective date if any securities
4 of the same class are outstanding.

5 (4) (a) The commissioner may require the person who
6 filed the registration statement to file reports to keep
7 reasonably current the information contained in the
8 registration statement and to disclose the progress of the
9 offering with respect to registered securities which (a) are
10 issued by a face-amount certificate company or a redeemable
11 security issued by an open-end management company or unit
12 investment trust as those terms are defined in the
13 Investment Company Act of 1940, or (b) are being offered and
14 sold directly by or for the account of the issuer.

15 (b) During the period of public offering in the
16 initial distribution of securities registered under the
17 provisions of this act by notification or qualification,
18 financial data or statements corresponding to those required
19 under the provisions of sections 15-2008 (2) and 15-2010,
20 and to the issuer's fiscal year, shall be filed with the
21 commissioner annually, not less than ninety (90) days after
22 the end of each such year. If such statements are not
23 certified the commissioner may verify them by examining the
24 issuer's books and records."

-End-

1 SENATE BILL NO. 288

2 INTRODUCED BY TURNAGE

3 BY REQUEST OF THE INVESTMENT COMMISSIONER

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
6 15-2011, R.C.M. 1947, TO CLARIFY WHICH CLASS OF SECURITIES
7 IS CONSIDERED TO BE REGISTERED FOR NONISSUER TRANSACTIONS."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 15-2011, R.C.M. 1947, is amended to
11 read as follows:

12 "15-2011. General provisions regarding registration of
13 securities. (1) A registration statement may be filed by
14 the issuer, any other person on whose behalf the offering is
15 to be made, or a registered broker-dealer. Any document
16 filed under this act or a predecessor act within five (5)
17 years preceding the filing of a registration statement may
18 be incorporated by reference in the registration statement
19 to the extent that the document is currently accurate. The
20 commissioner may by rule or otherwise permit the omission of
21 any item of information or document from any registration
22 statement.

23 (2) The commissioner may require as a condition of
24 registration by qualification or co-ordination (1) that any
25 security issued within the past three (3) years or to be

1 issued to a promoter for a consideration substantially
2 different from the public offering price, or to any person
3 for a consideration other than cash, be deposited in escrow;
4 and (2) that the proceeds from the sale of the registered
5 security in this state be impounded until the issuer
6 receives a specified amount from the sale of the security
7 either in this state or elsewhere. The commissioner may
8 determine the conditions of any escrow or impounding
9 required hereunder but he may not reject a depository solely
10 because of location in another state.

11 (3) When securities are registered by notification,
12 co-ordination, or qualification, they may be offered and
13 sold by the issuer, any other person on whose behalf they
14 are registered or by any registered broker-dealer. Every
15 registration shall remain effective until revoked by the
16 commissioner or until terminated upon request of the
17 registrant with the consent of the commissioner; however,
18 said registration shall be automatically suspended upon a
19 stop order or suspension proceedings being instituted by the
20 securities and exchange commission relative to said
21 securities, and shall continue suspended so long as such
22 proceedings are pending and until the registration or filing
23 with the securities and exchange commission is effective.
24 All outstanding securities of the same class as a currently
25 registered security are considered to be registered for the

REFERENCE BILL

1 purpose of any nonissuer transaction. A registration
2 statement which has become effective may not be withdrawn
3 for one (1) year from its effective date if any securities
4 of the same class are outstanding.

5 (4) (a) The commissioner may require the person who
6 filed the registration statement to file reports to keep
7 reasonably current the information contained in the
8 registration statement and to disclose the progress of the
9 offering with respect to registered securities which (a) are
10 issued by a face-amount certificate company or a redeemable
11 security issued by an open-end management company or unit
12 investment trust as those terms are defined in the
13 Investment Company Act of 1940, or (b) are being offered and
14 sold directly by or for the account of the issuer.

15 (b) During the period of public offering in the
16 initial distribution of securities registered under the
17 provisions of this act by notification or qualification,
18 financial data or statements corresponding to those required
19 under the provisions of sections 15-2008 (2) and 15-2010,
20 and to the issuer's fiscal year, shall be filed with the
21 commissioner annually, not less than ninety (90) days after
22 the end of each such year. If such statements are not
23 certified the commissioner may verify them by examining the
24 issuer's books and records."

-End-