

ACT No. 7

Regular Session, 2010

HOUSE BILL NO. 54

BY REPRESENTATIVE ARNOLD

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AN ACT

To amend and reenact R.S. 11:266.1(B) and (C), R.S. 12:131(B)(3), R.S. 22:68(D), 587(A)(introductory paragraph), and 1801(D)(1)(d), and R.S. 51:703(B)(3) and (C)(5), 705(C)(1)(b), 708(8)(introductory paragraph), and 710(H), relative to renaming the National Association of Securities Dealers to the Financial Industry Regulatory Authority; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 11:266.1(B) and (C) are hereby amended and reenacted to read as follows:

§266.1. Investment through Louisiana incorporated and domiciled broker-dealer

* * *

B. Each state public retirement or pension system, plan, or fund shall direct at least ten percent of the commissions on all trades of domestic equities in separately, actively managed portfolios and shall direct at least ten percent of all trades of domestic investment grade fixed income investments in separately managed accounts through broker-dealers selected on a best bid and offer basis who have been incorporated and domiciled in or who have had their principal trading operations in Louisiana for at least two years, who are registered and in good standing with the ~~National Association of Securities Dealers~~ Financial Industry Regulatory Authority, and who have demonstrated the ability to execute institutional domestic equity and fixed income transactions. The broker-dealers defined in this Subsection shall negotiate commission recapture agreements with the systems. The commissions recaptured under any such agreement shall not be a majority of the total value of the

1 commissions required to be directed to the broker-dealers pursuant to the provisions
2 of this Section.

3 C. All trades shall be subject to best efforts and best executions as defined
4 by the Securities and Exchange Commission and the ~~National Association of~~
5 ~~Securities Dealers~~ Financial Industry Regulatory Authority.

6 * * *

7 Section 2. R.S. 12:131(B)(3) is hereby amended and reenacted to read as follows:

8 §131. Rights of a shareholder dissenting from certain corporate actions

9 * * *

10 B. The right to dissent provided by this Section shall not exist in the case of:

11 * * *

12 (3) Shareholders holding shares of any class of stock which, at the record
13 date fixed to determine shareholders entitled to receive notice of and to vote at the
14 meeting of shareholders at which a merger or consolidation was acted on, were listed
15 on a national securities exchange, or were designated as a national market system
16 security on an inter-dealer quotation system by the ~~National Association of Securities~~
17 ~~Dealers~~ Financial Industry Regulatory Authority, unless the articles of the
18 corporation issuing such stock provide otherwise or, except in the case of
19 shareholders of a corporation surviving the merger or consolidation in which each
20 share of such corporation outstanding immediately prior to the effective date of the
21 merger or consolidation is an identical outstanding or treasury share of such
22 corporation after the effective date of the merger or consolidation, the shares of such
23 shareholders were not converted by the merger or consolidation solely into shares of
24 the surviving or new corporation.

25 * * *

26 Section 3. R.S. 22:68(D), 587(A)(introductory paragraph), and 1801(D)(1)(d) are
27 hereby amended and reenacted to read as follows:

28 §68. Books and records of domestic insurer; securities

29 * * *

1 C.

2 * * *

3 (5) No applicant shall be registered as a salesman under this Part, nor any
4 such registration be renewed, unless such person has passed a written examination
5 administered by the commissioner or someone acting under his direction or unless
6 such applicant presents proof satisfactory to the commissioner showing that he has
7 previously passed a similar examination conducted by the ~~National Association of~~
8 ~~Securities Dealers, Inc.~~ Financial Industry Regulatory Authority, or any other
9 examination substantially similar to that given by the commissioner, as the
10 commissioner may determine. The commissioner is further authorized to prescribe
11 the time, manner, and procedure relative to the holding of such examination and may
12 impose a fee against the applicant taking said examination to cover the costs thereof.

13 * * *

14 §705. Registration of securities; when and how required; delivery of prospectus

15 * * *

16 C. Registration statement. (1) Every registration statement filed under R.S.
17 51:705(B) shall contain the following information:

18 * * *

19 (b) With respect to every director and officer of the issuer, or person
20 occupying a similar status or performing similar functions: his name, address, and
21 principal occupation for the past five years; any criminal convictions or pending
22 criminal proceedings involving the sale of securities of any such person or any
23 disciplinary action taken or pending against any such person by the Securities and
24 Exchange Commission, the ~~National Association of Securities Dealers~~ Financial
25 Industry Regulatory Authority, the commissioner, or any state securities regulatory
26 authority; the amount of securities of the issuer beneficially owned by him as of a
27 specified date within thirty days of the filing of the registration statement; and a
28 statement, including price information, of all transactions by such person in
29 securities of the issuer beneficially owned by him during the two years preceding
30 such date; the amount of the securities covered by the registration statement to which

1 he has indicated his intention to subscribe; and with respect to each such person and
 2 any affiliate of such person or affiliate of a person specified in ~~R.S. 51:705(C)(1)(e)~~
 3 ~~and (f)~~ Subparagraph (e) and (f) of this Paragraph, a description of any material
 4 interest in any material transaction with the issuer or any significant subsidiary
 5 effected within the past three years or proposed to be effected.

6 * * *

7 §708. Exempt securities

8 The provisions of R.S. 51:705 shall not apply to any of the following
 9 securities:

10 * * *

11 (8) Securities listed or approved for listing upon notice of issuance on the
 12 New York Stock Exchange or the American Stock Exchange or a security designated
 13 or approved for designation as a national market system security by the ~~National~~
 14 ~~Association of Securities Dealers, Inc.~~ Financial Industry Regulatory Authority or
 15 any other stock exchange or market system approved by the commissioner as
 16 provided in this Paragraph, and all securities senior or equal in rank to any securities
 17 so listed, designated, or approved, any security represented by subscription rights
 18 which have been so listed, designated, or approved, or any warrant or right to
 19 purchase or subscribe to any of the foregoing, provided:

20 * * *

21 §710. Commissioner of securities; powers of commissioner and employees;
 22 compensation and expenses; assistant commissioner

23 * * *

24 H. The commissioner may designate filing depositories for all records
 25 required to be filed and maintained under this Part. Such records may be maintained
 26 in original form or by means of microfilm, microfiche, microphotographic
 27 reproduction, photographic reproduction, word processing, computerization, or other
 28 acceptable reproductive methods. The commissioner is further authorized to
 29 participate, in whole or in part, in a Central Registration Depository (CRD) or similar
 30 system, in cooperation with the ~~National Association of Securities Dealers, Inc.~~

1 ~~(NASD)~~ Financial Industry Regulatory Authority, other states, and the United States,
2 to the extent he deems participation to be in the public interest of this state.

3 Section 5. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____