

# MAINE STATE LEGISLATURE

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authorized investment may be sold and reinvested at the discretion of the Treasurer. See, e.g., Title 9-B M.R.S.A. Ch. 55 which enumerates the permissible investments for banks and therefore for the Treasurer. The authority of the Treasurer to purchase any of those authorized securities logically presupposes the authority to sell when necessary.

We have examined the Maine Securities Act to determine whether the certificates of deposit must be registered under that Act or whether the dealer registration requirements are applicable to the Treasurer. Section 873(3) of Title 32 exempts securities issued by banks from the registration provisions of the Act. Section 851 of Title 32 requires only that dealers in securities be registered. The definition of "dealer" in § 751, ¶ 1, applies only to the person acting as an agent or salesperson of securities, which definition would not include the Treasurer in this instance.

Finally, we have examined the relevant federal laws and regulations to determine whether the sale of these certificates of deposit as proposed would be subject to any federal regulation. It is our opinion that a certificate of deposit is not a security within the meaning of the Securities and Exchange Act of 1934, 15 U.S.C. § 78c(a) (10) and is not subject to federal registration requirements. Bellah v. First National Bank of Hereford, Tex., 495 F.2d 1109, 1114 (5th Cir., 1974).

Based upon the above analysis, it appears that there are neither State nor federal regulations which would prohibit the State Treasurer from reselling, at no loss to the State, one or more of the certificates of deposit held by the State.

Very truly yours,



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Attorney General

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