

# MAINE STATE LEGISLATURE

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L.D. 1500  
(Filing No. H- 333)

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
112TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "<sup>A</sup>" to H.P. 1022, L.D. 1500, Bill, "AN ACT to Revise the Maine Securities Act."

Amend the bill in section 2, in that part designated "§10302." in subsection 2, in paragraph D, in the 4th line from the end (page 6, line 18 in L.D.) by striking out the underlined word "nor" and inserting in its place the underlined word 'or'

Further amend the bill in section 2, in that part designated "§10306." in subsection 3, in the 2nd line from the end (page 9, line 2 in L.D.) by striking out the following: "broker-dealer," and inserting in its place the following: 'broker-dealer'

Further amend the bill in that part designated "§10308." in subsection 5, in the 2nd line (page 10, line 26 in L.D.) by striking out the following: "begins or" and in the 3rd line (page 10, line 27 in L.D.) by striking out the following: "issuer" and inserting in its place the following: 'issuer,'

Further amend the bill in that part designated "§10309." in the first paragraph, in the 3rd line (page 11, line 6 in L.D.) by striking out the underlined word "he" and inserting in its place the underlined words 'that person'

Further amend the bill in that part designated "§10313." in subsection 1, in paragraph B, in the 4th line from the end (page 14, line 27 in L.D.) by striking out the following: "Act" and inserting in its place the following: 'acts' and in the 2nd line from the end (page 14, line 29 in L.D.) by striking out the following: "Acts" and inserting in its place the following: 'acts'

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1 Further amend the bill in section 2 in that part  
2 designated "§10313." in subsection 6, in the 5th line  
3 (page 18, line 13 in L.D.) by striking out the fol-  
4 lowing: "requested, under this subsection," and in-  
5 serting in its place the following: 'requested'

6 Further amend the bill in section 2 in that part  
7 designated "§10403." in subsection 3, in paragraph C,  
8 in the last paragraph, in the last line (page 23,  
9 line 35 in L.D.) by striking out the following:  
10 "effectiveness" and inserting in its place the fol-  
11 lowing: 'entry'

12 Further amend the bill in section 2 in that part  
13 designated "§10404." in subsection 2, in the 2nd line  
14 from the end (page 24, line 31 in L.D.) by striking  
15 out the following: "5" and inserting in its place the  
16 following: '3'

17 Further amend the bill in section 2 in that part  
18 designated "§10406." in subsection 1, in paragraph C,  
19 in subparagraph (1), in the 3rd line (page 33, line  
20 34 in L.D.) by striking out the following: "section"  
21 and inserting in its place the following:  
22 'subsection'

23 Further amend the bill in section 2 in that part  
24 designated "§10406." in subsection 3, in the 2nd, 3rd  
25 and 4th lines (page 35, lines 16 to 18 in L.D.) by  
26 striking out the following: "upon the express author-  
27 ity of the superintendent to issue summary orders"  
28 and inserting in its place the following: 'under sub-  
29 section 2'

30 Further amend the bill in section 2 in that part  
31 designated "§10501." in subsection 4, in paragraph A  
32 (page 36, line 33 in L.D.) by adding after the under-  
33 lined word "institution" the following: 'or a deposi-  
34 tory institution holding company'

35 Further amend the bill in section 2 in that part

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1 designated "§10501." in subsection 4, in paragraph I,  
2 in the 3rd line (page 37, line 30 in L.D.) by strik-  
3 ing out the following: "Section 10501(c)(3)" and in-  
4 sserting in its place the following: 'Section  
5 501(c)(3)'

6 Further amend the bill in section 2 in that part  
7 designated "§10501." in subsection 8, paragraph B,  
8 (page 38, line 14 in L.D.) by inserting after the un-  
9 derlined word "institution" the following: 'or a de-  
10 pository institution holding company'

11 Further amend the bill in section 2 in that part  
12 designated "§10501." in subsection 8, in paragraph G,  
13 in the 2nd line (page 39, line 5 in L.D.) by striking  
14 out the following: "paragraph" and inserting in its  
15 place the following: 'subsection'

16 Further amend the bill in section 2 in that part  
17 designated "§10501." in subsection 15, in the 3rd  
18 line (page 40, line 26 in L.D.) by striking out the  
19 following: "of," and inserting in its place the fol-  
20 lowing: 'of'

21 Further amend the bill in section 2 in that part  
22 designated "§10501." in subsection 15, in paragraph  
23 A, in the 3rd line (page 40, line 29 in L.D.) by  
24 striking out the following: "of" and inserting in its  
25 place the following: 'or'

26 Further amend the bill in section 2 in that part  
27 designated "§10501." in subsection 18, in the 6th  
28 line (page 42, line 6 in L.D.) by striking out the  
29 following: "of" and inserting in its place the fol-  
30 lowing: 'or'

31 Further amend the bill in section 2 in that part  
32 designated "§10502." in subsection 1, in paragraph C,  
33 in the 3rd line (page 43, line 29 in L.D.) by insert-  
34 ing after the underlined word "institution" the fol-  
35 lowing underlined words 'or depository institution  
36 holding company'

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1 Further amend the bill in section 2 in that part  
2 designated "§10502." in subsection 1, in paragraph E,  
3 in the last line (page 44, line 5 in L.D.) by insert-  
4 ing at the end the following: 'but this exemption  
5 does not apply to an annuity contract, investment  
6 contract or similar security under which the promised  
7 payments are not fixed in dollars, but are substan-  
8 tially dependent upon the investment results of a  
9 segregated fund or account invested in securities;'

10 Further amend the bill in section 2 in that part  
11 designated "§10502." in subsection 1, paragraph H, by  
12 striking out all of subparagraph (1) and inserting in  
13 its place the following:

14 '(1) Listed for more than 30 days, prior to  
15 sale in this State, on the New York Stock  
16 Exchange, the American Stock Exchange, the  
17 Midwest Stock Exchange or, upon a finding by  
18 the superintendent that the Securities and  
19 Exchange Commission has approved the Nation-  
20 al Association of Securities Dealers corpo-  
21 rate governance provisions, the National As-  
22 sociation of Securities Dealers Automated  
23 Quotation - National Marketing System.'

24 Further amend the bill in section 2 in that part  
25 designated "§10502." in subsection 1, paragraph H,  
26 subparagraph (2), in the 4th line (page 44, line 37  
27 in L.D.) by striking out the underlined word "or" and  
28 inserting in its place the following: ',' and by in-  
29 serring after the underlined word "superintendent"  
30 (page 44, line 38, and page 45, line 1 in L.D.) the  
31 following: 'or, upon a finding by the superintendent  
32 that the Securities and Exchange Commission has ap-  
33 proved the National Association of Securities Dealers  
34 corporate governance provisions, the National Associ-  
35 ation of Securities Dealers Automated Quotation - Na-  
36 tional Marketing System'

37 Further amend the bill in section 2 in that part

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1 designated "§10502." in subsection 1, paragraph I, in  
2 the 4th line (page 45, line 18 in L.D.) by striking  
3 out the underlined word "underling" and inserting in  
4 its place the underlined word 'underlying'

5 Further amend the bill in section 2 in that part  
6 designated "§10502." in subsection 1, in paragraph L,  
7 in the 2nd and 3rd lines (page 46, lines 10 and 11 in  
8 L.D.) by striking out the following: "options" and  
9 inserting in its place the following: 'option'

10 Further amend the bill in section 2 in that part  
11 designated "§10502." in subsection 2, in paragraph K,  
12 in subparagraph (1), in the last line (page 48, line  
13 24 in L.D.) by inserting after the underlined word  
14 "investors" the following: 'similar to those required  
15 under section 10404'

16 Further amend the bill in section 2 in that part  
17 designated "§10502." in subsection 2, in paragraph O,  
18 in subparagraph (1), in the last line (page 50, line  
19 41 in L.D.) by striking out the underlined word  
20 "condition" and inserting the underlined word  
21 'conditions'

22 Further amend the bill in section 2 in that part  
23 designated "§10502." in subsection 2, in paragraph P,  
24 in the 4th line from the end (page 52, line 5 in  
25 L.D.) by striking out the following: "10502" and in-  
26 sserting in its place the following: '10501, subsec-  
27 tion 4'

28 Further amend the bill in section 2 in that part  
29 designated "§10502." in subsection 2, in paragraph Q,  
30 in the 5th line (page 52, line 13 in L.D.) by strik-  
31 ing out the following: "10502" and inserting in its  
32 place the following: '10501, subsection 4'

33 Further amend the bill in that part designated  
34 "§10502." in subsection 3, in the 2nd paragraph, in  
35 the 2nd line from the end (page 54, line 23 in L.D.)  
36 by striking out the underlined words "United States"

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1 and in the 2nd line from the end and the last line  
2 (page 54, lines 23 and 24 in L.D.) by striking the  
3 underlined words "United States"

4 Further amend the bill in the part designated  
5 "§10605." in subsection 3, in the 10th line (page 61,  
6 line 18 in L.D.) by striking out the underlined word  
7 "are" and inserting in its place the underlined word  
8 "is"

9 Further amend the bill in section 2 in that part  
10 designated "§10701" by striking out all of subsection  
11 3 and inserting in its place the following:

12 '3. Public information. Except as provided in  
13 subsection 4, all information filed with or obtained  
14 by the superintendent is public information and is  
15 available for public examination in accordance with  
16 Title 1, chapter 13, subchapter 1.

17 4. Nonpublic information. Information filed with  
18 or obtained by the superintendent is nonpublic to the  
19 extent it would be considered as nonpublic matters  
20 and information by the Securities and Exchange Com-  
21 mission as provided by 17 Code of Federal Regulations  
22 200.80 et seq. The confidentiality provisions of the  
23 Maine Banking Code, Title 9-B, section 226, apply to  
24 nonpublic matters and information.

25 5. Disclosure for enforcement purposes. The su-  
26 perintendent may disclose any information obtained in  
27 connection with an investigation pursuant to section  
28 10601 that would otherwise be nonpublic information  
29 to the securities agencies and administrators speci-  
30 fied in section 10702, subsection 1, but only if dis-  
31 closure is required for the purpose of a civil, ad-  
32 ministrative or criminal enforcement investigation  
33 and the requesting agency certifies that under appli-  
34 cable law reasonable protections exist to preserve  
35 the integrity, confidentiality and security of the  
36 information, comparable to the protections existing  
37 under the laws of this State.'

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1 Further amend the bill in that part designated  
2 "§10701." by renumbering subsections 4 and 5 to be  
3 subsections 6 and 7

4 Further amend the bill in that part designated  
5 "§10702." in subsection 2, in the 2nd line (page 65,  
6 line 25 in L.D.) by striking out the following:  
7 "shall" and inserting in its place the following:  
8 'may'

9 Further amend the bill in that part designated  
10 "§10703." in subsection 1, in the 2nd line from the  
11 end (page 66, line 21 in L.D.) by striking out the  
12 following: "shall" and inserting in its place the  
13 following: 'may'

14 Further amend the bill in that part designated  
15 "§10706." in subsection 1, in paragraph B, in the  
16 first line (page 69, line 24 in L.D.) by striking out  
17 the underlined word "statements" and inserting the  
18 underlined word 'filings'

19 Further amend the bill in that part designated  
20 "§10707." in subsection 2, in the 2nd line (page 70,  
21 line 37 in L.D.) by inserting after the following:  
22 "10201." the following: '10202.'

23 Further amend the bill in that part designated  
24 "§10708." in subsection 2, in the 5th line (page 73,  
25 line 13 in L.D.) by adding after the underlined word  
26 "notice" the underlined words 'or order'

27 Further amend the bill in that part designated  
28 "§10710." in subsection 1, in the first line (page  
29 74, line 21 in L.D.) by striking out the underlined  
30 word "chaper" and inserting the underlined word  
31 'chapter'



COMMITTEE AMENDMENT "A" to H.P. 1022, L.D. 1500

1 STATEMENT OF FACT

2 This amendment makes several changes to the bill:

3 1. Adds references to depository institution  
4 holding companies in several places;

5 2. Extends an exemption to the National Association  
6 of Securities Dealers Automated Quotation - National  
7 Marketing System once the Superintendent of  
8 Banking finds that the National Association of Securities  
9 Dealers corporate governance provisions have  
10 been approved by the Securities and Exchange Commission.  
11 National Association of Securities Dealers now  
12 has no such provisions in place, but currently is  
13 considering the adoption of proposed corporate governance  
14 provisions. Once in place, these will help  
15 assure high standards for stock listed in the National  
16 Association of Securities Dealers Automated Quotation -  
17 National Marketing System;

18 3. Amends the sections of the bill dealing with  
19 confidentiality of information filed with the Superintendent  
20 of Banking. All information is made public  
21 except to the extent it would be considered nonpublic  
22 by the Securities and Exchange Commission. This ensures  
23 public access to the information and also adds  
24 to ease of administration since it parallels federal  
25 law; and

26 Makes numerous technical corrections to the bill.

Reported by the Committee on Business and Commerce  
Reproduced and distributed under the direction of the  
Clerk of the House

6/5/85

(Filing No. H-333)