

Stricken language would be deleted from and underlined language would be added to the law as it existed  
prior to this session of the General Assembly.  
**Act 420 of the Regular Session**

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4

# A Bill

HOUSE BILL 1170

5 By: Representative J. Hutchinson  
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7

## For An Act To Be Entitled

8 AN ACT TO AMEND CERTAIN REGISTRATION AND  
9 EXEMPTION PROVISIONS OF THE ARKANSAS SECURITIES  
10 ACT; AND FOR OTHER PURPOSES.  
11

### Subtitle

12 TO AMEND CERTAIN REGISTRATION AND  
13 EXEMPTION PROVISIONS OF THE ARKANSAS  
14 SECURITIES ACT.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 23-42-402(c)(1), concerning the effective  
22 date of a registration statement filed in conjunction with a federal  
23 registration statement, is amended to read as follows:

24 (c)(1) A registration statement under this section automatically  
25 becomes effective at the moment the federal registration statement becomes  
26 effective if all the following conditions are satisfied:

27 (A) No stop order is in effect and no proceeding is  
28 pending under § 23-42-405;

29 (B) The registration statement has been on file with the  
30 commissioner for at least ~~ten (10)~~ twenty (20) days; and

31 (C) A statement of the maximum and minimum proposed  
32 offering prices and the maximum underwriting discounts and commissions has  
33 been on file for two (2) full business days or such shorter period as the  
34 commissioner permits by rule or otherwise, and the offering is made within  
35 those limitations.



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SECTION 2. Arkansas Code § 23-42-503(d), concerning exempt securities, is amended to read as follows:

(d)(1) Before any security may be issued as an exempted security under ~~subdivisions (a)(3) — (a)(5) or~~ subdivision (a)(7), ~~or subsection (e)~~, of this section, a proof of exemption must first be filed with the commissioner, and the commissioner by order shall not have disallowed the exemption within the next ~~five (5)~~ ten (10) full business days.

(2) The proof of exemption shall contain a statement of the grounds upon which the exemption is claimed and a designation of the subsection of this section under which the exemption is claimed.

(3) Proofs of exemption which have not been completed within a period of one hundred eighty (180) days after filing with the commissioner may be deemed abandoned and considered withdrawn by the applicant, provided the applicant has been notified of the deficiencies to the proof and afforded a reasonable opportunity to correct the deficiencies.

(4) Each offering shall be effective only for twelve (12) consecutive months, ~~, unless the commissioner by rule or order shall extend the period of time to not more than five (5) years.~~

(5) For every proof of exemption filed with the commissioner, there shall be paid to the commissioner a filing fee ~~of one hundred dollars (\$100), except that, for a proof of exemption filed under subdivision (a)(7) of this section, the filing fee is~~ equal to one-tenth percent (0.1%) of the maximum aggregate offering price at which the securities are to be offered in this state. The fee shall in no case be less than one hundred dollars (\$100) nor more than five hundred dollars (\$500). The commissioner shall have authority under this subsection to amend or rescind the filing fees by rule or order if the commissioner determines that the fee is excessive under the circumstances.

SECTION 3. Arkansas Code § 23-42-504(b)(1), concerning exempt securities transactions, is amended to read as follows:

(b)(1) Before any transaction shall be executed as an exempted transaction under subdivisions (a)(9) or (a)(10) of this section, except, in the case of dividend reinvestment and stock purchase programs pursuant to subdivision (a)(10) of this section, a proof of exemption must first be filed

1 with the commissioner and the commissioner by order shall not have disallowed  
2 the exemption within the next ~~five (5)~~ ten (10) full business days. Before  
3 any dividend reinvestment and stock purchase program shall be executed as an  
4 exempt transaction under subdivision (a)(10) of this section, an initial  
5 proof of exemption shall be filed; thereafter in every fifth year a proof of  
6 exemption must be filed with the commissioner and the commissioner by order  
7 must not have disallowed the exemption within the next ~~five (5)~~ ten (10) full  
8 business days.

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11 **APPROVED: 03/02/2005**  
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