

## **JOINT PERFORMANCE REVIEW COMMITTEE**

**JANUARY 8, 2014**

### **MINUTES**

The Joint Performance Review Committee met Wednesday, January 8, 2014 at 1:00 p.m. in Room A, MAC Building, Little Rock, Arkansas.

Committee members present were Senators Jane English, Senate Co-Chair, Jimmy Hickey, Jason Rapert, and Jon Woods. Also attending Representatives Terry Rice, House Co-Chair, Randy Alexander, Bob Ballinger, Harold Copenhaver, Jon Eubanks, Justin Harris, Debra Hobbs, Mark Lowery, Josh Miller, Warwick Sabin, Brent Talley, Bruce Westerman, and Richard Womack.

Other members present were Senators Ronald Caldwell, Missy Irwin, Johnny Key, Michael Lamoureux, Gary Stubblefield, Bobby Pierce, Joyce Elliott, and Stephanie Flowers. Also attending Representatives Scott Baltz, Nate Bell, Mark Biviano, David Branscum, Ann Clemmer, Jim Dotson, David Fielding, Jeremy Gillam, Bill Gossage, Kim Hammer, David Hillman, Mike Holcomb, David Kizzia, Sheila Lampkin, Frederick Love, Stephanie Malone, Betty Overbey, Sue Scott, and Mary Lou Slinkard.

#### **Approval of Minutes – September 19, 2013 [Exhibit B]**

A motion to approve the minutes of the September 19, 2013 Joint Performance Review (JPR) Committee meeting was made by Representative Jon Eubanks and seconded by Representative Rice. The minutes were adopted unanimously.

#### **Call to Order**

Senator English called the meeting to order.

#### **Comments by Senator English and Representative Rice, Co-Chairs, JPR Committee**

Senator English read the duties and responsibilities of the JPR Committee.

#### **Overview of the Arkansas Securities Department and Securities Law (A.C.A. §23-42-101-509) [Exhibit D]**

Representative Rice and Senator English welcomed legislators to the meeting. Senator English said the focus of the meeting would be the operations of the Arkansas Securities Department, in particular the regulatory and enforcement duties. She explained that there is a complaint pending before the Arkansas Ethics Commission, which concerns settlement of fines authorized by the Arkansas Securities Department, but this meeting will not address the complaint.

Senator English asked Heath Abshure, Securities Commissioner, to give an overview of the Arkansas Securities Department.

Mr. Abshure described the Department as a special revenue agency charged with regulatory and enforcement jurisdiction over the securities industry. He reviewed a list of entities the agency regulates, which includes offers and sales of securities, investment professionals, investment advisers, broker dealers, mortgage lending, mortgage loan companies, mortgage servicing companies, and loan officers. He said the agency also has jurisdiction over money transmission and currency exchange businesses, state chartered savings and loan institutions, and foreign savings and loan institutions. The agency regulates the offer and sales of securities by requiring disclosure to purchasers and providing remedies in the case of fraud. He said the agency's compliance and regulation section oversees compliance examinations and registration material reviews for regulated entities.

Ann McDougal, Deputy Securities Commissioner, replied to a question regarding the funds administered by the Department. She said there are two funds established by statute, the Investor Education Fund and the Securities Department Fund which pays for the operations of the Department. In response to a question concerning the Investor Protection Trust Fund, she said this fund was created as a 501c3 organization for investor education and investor protection.

Due to inclement weather, Senator English called a recess of the meeting. She announced that the meeting would resume at 10:00 a.m. Wednesday, January 22, 2014 in Room A, MAC Building, Little Rock, Arkansas.

The meeting ended at 2:45 p.m.