

1 State of Arkansas

Call Item 4

2 80th General Assembly

A Bill

3 First Extraordinary Session, 1995

HOUSE BILL

1009

4 By: Representatives Cunningham and von Grep

5 By: Senator Wilson

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For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE §23-42-301(e), AS AMENDED
10 BY ACT 845 OF 1995, TO REQUIRE RESIDENT PRINCIPALS FOR
11 BROKER-DEALERS WITH *BRANCH* OFFICES IN THE STATE OF
12 ARKANSAS; AND FOR OTHER PURPOSES."

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Subtitle

15 "AMENDS A.C.A. §23-42-301(e) TO REQUIRE
16 RESIDENT PRINCIPALS FOR BROKER-DEALERS
17 WITH OFFICES IN ARKANSAS."

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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 23-42-301(e), as amended by Act 845 of 1995,
22 is amended to read as follows:

23 "(e)(1) At least one (1) individual, who shall have direct supervision
24 over the purchase and sale of securities in Arkansas, shall be:

25 (A) Registered as an agent and designated a principal of a
26 broker-dealer; or

27 (B) Registered as an agent of the issuer and shall satisfy
28 qualifications set by the commissioner.

29 (2) Each broker-dealer which has a *branch* office located in
30 Arkansas shall designate at least one principal who is a resident of this
31 state. A broker-dealer with more than one *branch* office located in Arkansas
32 may designate more than one (1) resident principal and specify the *branch*
33 office or offices for which each resident principal has supervisory
34 responsibility.

35 (3) Upon the removal of the individual or individuals designated

1 under this subsection from the broker-dealer or issuer, or upon the removal
2 of the principal from the direct supervision of the purchase and sale of
3 securities in Arkansas, the issuer or broker-dealer must again satisfy this
4 provision."

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6 SECTION 2. All provisions of this act of a general and permanent
7 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
8 Code Revision Commission shall incorporate the same in the Code.

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10 SECTION 3. If any provision of this act or the application thereof to
11 any person or circumstance is held invalid, such invalidity shall not affect
12 other provisions or applications of the act which can be given effect without
13 the invalid provision or application, and to this end the provisions of this
14 act are declared to be severable.

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16 SECTION 4. All laws and parts of laws in conflict with this act are
17 hereby repealed.

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19 SECTION 5. *EMERGENCY CLAUSE. It is hereby found and determined by the*
20 *Eightieth General Assembly that requirements for resident principals*
21 *established in Act 845 of 1995 operate as a hardship on certain securities*
22 *agents in the State who work as independent contractors; that the immediate*
23 *effectiveness of this act is essential in order to alleviate this undue*
24 *burden and permit these productive members of our society to continue earning*
25 *their livelihood while still implementing measures needed to protect the*
26 *integrity of the securities industry. Therefore, an emergency is hereby*
27 *declared to exist and this act being immediately necessary for the immediate*
28 *preservation of the public peace, health and safety shall be in full force*
29 *and effect from and after its passage and approval.*

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/s/ Ernest Cunningham

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