

No. 1981-1

AN ACT

SB 167

Amending the act of December 5, 1972 (P.L.1280, No.284), entitled "An act relating to securities; prohibiting fraudulent practices in relation thereto; requiring the registration of broker-dealers, agents, investment advisers, and securities; and making uniform the law with reference thereto," changing the registration requirements and fees for broker-dealers, investment advisers and agents, eliminating obsolete language relating to consent to service of process requirements and further providing for administrative files.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. The first paragraph of subsection (b) of sections 205 and 206, subsection (e) of section 301, subsection (a)(i) of section 303, subsection (d) of section 602 and section 603, act of December 5, 1972 (P.L.1280, No.284), known as the "Pennsylvania Securities Act of 1972," are amended to read:

Section 205. Registration by Coordination.—* * *

(b) A registration statement under this section shall contain the following information and be accompanied by the following documents in addition to the information specified in section 207 (b) **[and the consent to service of process required by section 701]**:

* * *

Section 206. Registration by Qualification.—* * *

(b) A registration statement under this section shall contain the information specified in section 207 (b), **[shall be accompanied by the consent to service of process required by section 701]** and shall contain the following information and be accompanied by the following documents:

* * *

Section 301. Registration Requirement.—Unless exempted under section 302 hereof:

* * *

(e) Every registration expires **[two years from its effective date unless renewed. The commission by regulation may prepare an initial schedule for registration renewals so that subsequent renewals of registrations effective on or after April 1, 1972 may be staggered. For this purpose the commission may adjust the registration fee proportionately] on December 31 of each year unless renewed except (i) the registrations of broker-dealers, investment advisers, and agents registered under this act as of the effective date of this amending act and (ii) those agents which become registered for such broker-dealers subsequent to the effective date of this amendatory act shall expire on**

the date such registration expires under the statute and regulations in effect at the time of such registration. In order to facilitate cooperation with other securities administrators and regulatory authorities in the simplification and coordination of registration, application and renewal procedures, the commission may by regulation provide for the renewal of any registration included in clauses (i) and (ii) above until December 31 of the year in which such registration expires upon payment of the registration fee. For this purpose, the commission may adjust the registration fee proportionately. Nothing in this section shall prohibit any person included in clause (i) or (ii) above from voluntarily electing to renew a registration prior to the date such registration would otherwise expire. No registration is effective after its expiration, unless a renewal application has been timely filed, and expiration of a registration for which no renewal application has been filed is deemed an application for withdrawal under section 305 (f).

Section 303. Registration Procedure.—(a) (i) A broker-dealer, agent, or investment adviser may obtain an initial or renewal license by filing [with the commission an application together with a consent to service of process pursuant to section 701] *an application with the commission.* The application shall contain such information, and in such detail, as the commission by rule requires concerning the applicant's form and place of organization, proposed method of doing business, and financial condition, the qualifications and experience of the applicant, including, in the case of a broker-dealer or investment adviser, the qualifications and experience of any partner, officer, director, or affiliate, or a person occupying a similar status or performing similar functions any injunction or administrative order or conviction referred to in section 305 (a) (ii), information about affiliates or predecessors of the applicant, and any other matters which the commission determines are relevant to the application.

* * *

Section 602. Fees.—* * *

(d) Every applicant for an initial or renewal license under section 301 shall pay a filing fee of [two hundred fifty dollars (\$250)] *one hundred twenty-five dollars (\$125)* in the case of a broker-dealer, [fifty dollars (\$50)] *twenty-five dollars (\$25)* in the case of an agent and [two hundred dollars (\$200)] *one hundred dollars (\$100)* in the case of an investment adviser. The term of an agent's registration hereunder shall be concurrent with that of his employer, if a broker-dealer. When an agent changes employers, [there shall be a ten dollar (\$10) fee; no additional registration fee shall be paid unless the term of registration of his new employer (if a broker-dealer) expires after the term of his present registration, in which case an additional fee, prorated to allow for the time of expiration of his new employer's registration, shall be paid] *a ten dollar (\$10) fee shall be paid.* A broker-dealer maintaining any office within this State shall pay an additional filing fee of [eighty dollars (\$80)] *forty dollars (\$40)* for

each office. When an application is denied or withdrawn or a registration revoked, the filing fee shall be retained.

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Section 603. Administrative Files.—(a) A document is filed when it is received by the commission *or by any other person which the commission by regulation may designate.*

(b) The commission shall keep a register of all registrants and registration statements which are or have ever been effective under this act and predecessor laws and all denial, suspension or revocation orders which have been entered under this act and predecessor laws. The register shall be open for public inspection except with respect to summary suspensions under sections 208 (c) and 305 (d).

(c) The information contained in or filed with any registration statement, application or report shall be made available to the public in accordance with regulations prescribed by the commission; provided that, upon proper showing of the registrant or issuer, the commission shall treat certain filings as confidential.

(d) The commission upon request shall furnish to any person, at a reasonable charge, photostatic or other copies, certified under seal of the commission if certification is requested, of any entry in the register or any order or other document made available to the public under subsection (c) above.

Section 2. This act shall take effect immediately.

APPROVED—The 25th day of March, A. D. 1981.

DICK THORNBURGH