

2001 DRAFTING REQUEST

Bill

Received: **12/20/2001**

Received By: **rmarchan**

Wanted: **Today**

Identical to LRB:

For: **Financial Institutions**

By/Representing: **lisa**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Addl. Drafters:

Subject: **Fin. Inst. - securities**

Extra Copies:

Submit via email: **NO**

Pre Topic:

No specific pre topic given

Topic:

Canadian securities dealers

Instructions:

See Attached. Companion to LRB-2505

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 12/20/2001	csicilia 12/20/2001		_____			State
/1			haugeca 12/20/2001	_____	lrb_docadmin 12/20/2001	lrb_docadmin 12/20/2001	

FE Sent For:

<END>

→ At Intro.

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1?	rmarchan	lis 12/20 01	CH 12-19	CH 12-19 p/s	

Jacket
immediately
for intro in
Senate

FE Sent For:

<END>

Marchant, Robert

From: Roys, Lisa
Sent: Wednesday, December 19, 2001 5:04 PM
To: Emery, Lynn
Cc: Anderson, David; Marchant, Robert
Subject: RE: LRB-2505/6 (attached)

Could we please have this jacketed for introduction? We would like to have companion bills for both houses.

Thank you.

Lisa Roys, Policy Advisor
WI Department of Financial Institutions
(608) 266-0450

-----Original Message-----

From: Emery, Lynn
Sent: Monday, December 17, 2001 1:18 PM
To: Lisa Roys
Subject: LRB-2505/6 (attached)

Lynn Emery

Lynn Emery - Program Asst. (PH. 608-266-3561)
(E-Mail: lynn.emery@legis.state.wi.us) (FAX: 608-264-6948)

Legislative Reference Bureau - Legal Section - Front Office
100 N. Hamilton Street - 5th Floor
Madison, WI 53703

<< File: 01-2505/6 >>

FODAg

2001 BILL

Stays

DMNR

DVOTE

Repeal cat

1 **AN ACT to create** 551.23 (20) and 551.31 (1) (d) and (e) of the statutes; **relating**
 2 **to:** creating an exemption from securities broker-dealer and securities agent
 3 licensing requirements.

Analysis by the Legislative Reference Bureau

With certain exceptions, current law requires securities broker-dealers and their agents who transact securities business in this state to be licensed with the division of securities in the department of financial institutions. This bill exempts certain Canadian broker-dealers and their agents from this licensing requirement. The bill specifies conditions that broker-dealers and their agents must satisfy to qualify for the licensing exemption. For example, in addition to other requirements, broker-dealers must be located in Canada and have no office or other physical presence in this state and must effect or attempt to effect only transactions with specified financial entities or with certain current or former residents of Canada or persons with certain retirement plans in Canada. To qualify for the licensing exemption, securities agents, in addition to other requirements, must act on behalf of broker-dealers that qualify for the licensing exemption.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

BILL

1 **SECTION 1.** 551.23 (20) of the statutes is created to read:

2 551.23 (20) Any offer or sale of a security effected by a broker–dealer that is
3 exempt from licensing under s. 551.31 (1) (d).

4 **SECTION 2.** 551.31 (1) (d) and (e) of the statutes are created to read:

5 551.31 (1) (d) A broker–dealer located in Canada that has no office or other
6 physical presence in this state and that satisfies all of the following conditions:

7 1. The broker–dealer effects or attempts to effect only transactions in securities
8 with a person specified in s. 551.23 (8) (a) to (f) or with or for any of the following:

9 a. A person who is in this state temporarily and who, while a resident of Canada
10 and before entering this state, established a bona fide business–client relationship
11 with the broker–dealer.

12 b. A person who is present in this state, whose transactions are in a
13 self–directed, tax–advantaged retirement plan in Canada of which the person is the
14 holder or contributor.

15 2. The broker–dealer is registered with or a member of a self–regulatory
16 organization, a stock exchange in Canada, or the bureau des services financiers.

17 3. The broker–dealer maintains in good standing its provincial or territorial
18 registration in Canada and its registration with or membership in a self–regulatory
19 organization, a stock exchange, or the bureau des services financiers.

20 4. The broker–dealer discloses to each customer in this state that the
21 broker–dealer and its agents are not licensed under the Wisconsin Uniform
22 Securities Law.

23 (e) An agent who represents a broker–dealer that is exempt from licensing
24 under par. (d), if the agent satisfies all of the following conditions:

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

4461/1dn
LRB-2505/2dn

RJM:lg:rs

September 5, 2001

cjs

By providing a special benefit to certain persons based upon their national origin, this bill may be subject to challenge under the Equal Protection Clause of the U.S. Constitution. You may want to eliminate the specific reference to Canada and, instead, refer to any country that, in the opinion of DFI, has a sufficient level of regulatory oversight of securities transactions to provide at least as much protection to customers as the laws of this state.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: robert.marchant@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4461/1dn
RJM:cjs:ch

December 20, 2001

By providing a special benefit to certain persons based upon their national origin, this bill may be subject to challenge under the Equal Protection Clause of the U.S. Constitution. You may want to eliminate the specific reference to Canada and, instead, refer to any country that, in the opinion of DFI, has a sufficient level of regulatory oversight of securities transactions to provide at least as much protection to customers as the laws of this state.

Robert J. Marchant
Legislative Attorney
Phone: (608) 261-4454
E-mail: robert.marchant@legis.state.wi.us

Emery, Lynn

From: Roys, Lisa
Sent: Monday, February 18, 2002 4:11 PM
To: Emery, Lynn
Cc: Laundrie, Julie; Anderson, David
Subject: LRB 4461

Could you please release LRB 4461 to Julie in Sen. Erpenbach's office?

Thank you!

Lisa Roys, Policy Advisor
WI Department of Financial Institutions
(608) 266-0450

-----Original Message-----

From: Anderson, David
Sent: Monday, February 18, 2002 4:08 PM
To: Roys, Lisa
Subject: FW:

-----Original Message-----

From: Laundrie, Julie
Sent: Monday, February 18, 2002 4:03 PM
To: Anderson, David
Cc: Bilot, Erin
Subject:

Hi Dave,

I need you to request LRB 4401 electronically from the LRB and send it to Erin and myself. They won't release it to me because the Department requested it. Also I will need a fiscal on that before the hearing, which we are planning on having on March 7th. Let me know if you need anything from me - thanks

Julie

*Julie Laundrie
Office of Senator Jon Erpenbach
Room 8 South, 6-6670*

Emery, Lynn

From: Emery, Lynn

Sent: Monday, February 18, 2002 4:27 PM

To: Laundrie, Julie

Subject: LRB-4461/1 (attached)

Lynn Emery

Program Asst. (PH. 608-266-3561)
(E-Mail: lynn.emery@legis.state.wi.us)

Legislative Reference Bureau - Legal Section - Front Office
100 N. Hamilton Street - 5th Floor
Madison, WI 53703

2/18/2002