



**ASSEMBLY AMENDMENT 1,
TO 1995 ASSEMBLY BILL 781**

February 26, 1996 - Offered by COMMITTEE ON INSURANCE, SECURITIES AND
CORPORATE POLICY.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 4, line 8: after that line insert:

3 “**SECTION 4m.** 551.23 (19) (c) 1. (intro.) of the statutes is amended to read:

4 551.23 (19) (c) 1. (intro.) Unless the cause for disqualification is waived under
5 subd. 2., no exemption under par. (a) is available for the securities of an issuer unless
6 the issuer did not know and in the exercise of reasonable care could not have known
7 that any of the following apply to any of the persons described in ~~Rule 252 (e) to (f)~~
8 ~~of Regulation A under the securities act of 1933~~ 17 CFR 230.262 (a), (b) or (c):”.

9 **2.** Page 7, line 8: after that line insert:

10 “**SECTION 21g.** 551.60 (3) of the statutes is amended to read:

11 551.60 (3) If the public interest and the protection of investors so require, the
12 commissioner may by order summarily suspend all trading in this state by
13 broker-dealers and agents in any security for any period specified. No broker-dealer
14 or agent may effect any transaction in, or induce or attempt to induce the purchase
15 or sale of, any security in this state in which trading is so suspended, except in
16 performance of a contract previously entered into. At any time after the issuance of

1 an order under this subsection, any interested person may in writing request that
2 the suspension of trading be vacated. Upon the receipt of a written request, the
3 matter shall be noticed for hearing and a hearing shall be held in the manner
4 provided in s. 551.61 (2). After the hearing, the commissioner may order the
5 suspension to be continued until modified or vacated by further order upon a finding
6 that trading in the security ~~will be unfair or inequitable or~~ will tend to work a fraud
7 upon the purchasers or sellers of the security. Otherwise, the commissioner shall
8 vacate the suspension of trading and no further order may be entered under this
9 subsection with respect to the same security in the absence of changed circumstances
10 justifying an order.

11 **SECTION 21r.** 551.60 (3) of the statutes, as affected by 1995 Wisconsin Act 27,
12 is repealed and recreated to read:

13 551.60 (3) If the public interest and the protection of investors so require, the
14 division may by order summarily suspend all trading in this state by broker-dealers
15 and agents in any security for any period specified. No broker-dealer or agent may
16 effect any transaction in, or induce or attempt to induce the purchase or sale of, any
17 security in this state in which trading is so suspended, except in performance of a
18 contract previously entered into. At any time after the issuance of an order under
19 this subsection, any interested person may in writing request that the suspension
20 of trading be vacated. Upon the receipt of a written request, the matter shall be
21 noticed for hearing and a hearing shall be held in the manner provided in s. 551.61
22 (2). After the hearing, the division may order the suspension to be continued until
23 modified or vacated by further order upon a finding that trading in the security will
24 tend to work a fraud upon the purchasers or sellers of the security. Otherwise, the
25 division shall vacate the suspension of trading and no further order may be entered

1 under this subsection with respect to the same security in the absence of changed
2 circumstances justifying an order.”.

3 **3.** Page 17, line 16: after “(a)” insert “and (3)”.

4 (END)