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1 to require participation or monetary contributions of a registrant in an investor  
2 education program.

3 (5) SECURITIES INVESTOR EDUCATION AND TRAINING FUNDING. All moneys collected  
4 from the administrative assessment under s. 551.604 (4) shall be credited to the  
5 appropriation under s. 20.144 (1) (i). Subject to s. 20.144 (1) (i), the division shall use  
6 moneys credited to that appropriation for the purposes specified in sub. (4) and s.  
7 20.144 (1) (i).

8 **551.602 Investigations and subpoenas. (1) AUTHORITY TO INVESTIGATE.** The  
9 administrator may do any of the following:

10 (a) Conduct public or private investigations within or outside of this state  
11 which the administrator considers necessary or appropriate to determine whether  
12 a person has violated, is violating, or is about to violate this chapter or a rule adopted  
13 or order issued under this chapter, or to aid in the enforcement of this chapter or in  
14 the adoption of rules and forms under this chapter.

15 (b) Require or permit a person to testify, file a statement, or produce a record,  
16 under oath or otherwise as the administrator determines, as to all the facts and  
17 circumstances concerning a matter to be investigated or about which an action or  
18 proceeding is to be instituted.

19 (c) Publish a record concerning an action, proceeding, or an investigation  
20 under, or a violation of, this chapter or a rule adopted or order issued under this  
21 chapter.

22 (2) ADMINISTRATOR POWERS TO INVESTIGATE. For the purpose of an investigation  
23 under this chapter, the administrator or its designated officer may administer oaths  
24 and affirmations, subpoena witnesses, seek compulsion of attendance, take

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1 evidence, require the filing of statements, and require the production of any records  
2 that the administrator considers relevant or material to the investigation.

3 **(3) PROCEDURE AND REMEDIES FOR NONCOMPLIANCE.** If a person does not appear  
4 or refuses to testify, file a statement, produce records, or otherwise does not obey a  
5 subpoena as required by the administrator under this chapter, the administrator  
6 may apply to, or may refer the matter to the attorney general, district attorney of the  
7 appropriate county, or appropriate federal authority who may apply to, the circuit  
8 court of of the appropriate county or a court of another state to enforce compliance.  
9 The court may do any of the following:

10 (a) Hold the person in contempt.

11 (b) Order the person to appear before the administrator.

12 (c) Order the person to testify about the matter under investigation or in  
13 question.

14 (d) Order the production of records.

15 (e) Grant injunctive relief, including restricting or prohibiting the offer or sale  
16 of securities or the providing of investment advice.

17 (f) Impose a civil penalty of not less than \$5,000 and not greater than \$250,000  
18 for each violation.

19 (g) Grant any other necessary or appropriate relief.

20 **(4) APPLICATION FOR RELIEF.** This section does not preclude a person from  
21 applying to the circuit court of the appropriate county or a court of another state for  
22 relief from a request to appear, testify, file a statement, produce records, or obey a  
23 subpoena.

24 **(5) USE IMMUNITY PROCEDURE.** (a) An individual is not excused from attending,  
25 testifying, filing a statement, producing a record or other evidence, or obeying a

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1 subpoena of the administrator under this chapter or in an action or proceeding  
2 instituted by the administrator under this chapter on the ground that the required  
3 testimony, statement, record, or other evidence, directly or indirectly, may tend to  
4 incriminate the individual or subject the individual to a criminal fine, penalty, or  
5 forfeiture. If the individual refuses to testify, file a statement, or produce a record  
6 or other evidence on the basis of the individual's privilege against self-incrimination,  
7 the administrator may apply to the circuit court of the appropriate county to compel  
8 the testimony, the filing of the statement, the production of the record, or the giving  
9 of other evidence. The testimony, record, or other evidence compelled under such an  
10 order may not be used, directly or indirectly, against the individual in a criminal case,  
11 except in a prosecution for perjury or contempt or otherwise failing to comply with  
12 the order.

13 (b) The immunity provided under par. (a) is subject to the restrictions under  
14 s. 972.085.

15 **(6) ASSISTANCE TO SECURITIES REGULATOR OF ANOTHER JURISDICTION.** At the  
16 request of the securities regulator of another state or a foreign jurisdiction, the  
17 administrator may provide assistance if the requesting regulator states that it is  
18 conducting an investigation to determine whether a person has violated, is violating,  
19 or is about to violate a law or rule of the other state or foreign jurisdiction relating  
20 to securities matters that the requesting regulator administers or enforces. The  
21 administrator may provide the assistance by using the authority to investigate and  
22 the powers conferred by this section as the administrator determines is necessary or  
23 appropriate. The assistance may be provided without regard to whether the conduct  
24 described in the request would also constitute a violation of this chapter or other law  
25 of this state if occurring in this state. In deciding whether to provide the assistance,

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1 the administrator may consider whether the requesting regulator is permitted and  
2 has agreed to provide assistance reciprocally within its state or foreign jurisdiction  
3 to the administrator on securities matters when requested; whether compliance with  
4 the request would violate or prejudice the public policy of this state; and the  
5 availability of resources and employees of the administrator to carry out the request  
6 for assistance.

7 **551.603 Civil enforcement. (1)** CIVIL ACTION INSTITUTED BY ADMINISTRATOR.  
8 If the administrator believes that a person has engaged, is engaging, or is about to  
9 engage in an act, practice, or course of business constituting a violation of this  
10 chapter or a rule adopted or order issued under this chapter or that a person has, is,  
11 or is about to engage in an act, practice, or course of business that materially aids a  
12 violation of this chapter or a rule adopted or order issued under this chapter, the  
13 administrator may maintain, or may refer the matter to the attorney general or  
14 district attorney of the appropriate county who may maintain, an action in the circuit  
15 court of the appropriate county to enjoin the act, practice, or course of business and  
16 to enforce compliance with this chapter or a rule adopted or order issued under this  
17 chapter.

18 **(2) RELIEF AVAILABLE.** In an action under this section and on a proper showing,  
19 the court may do any of the following:

20 (a) Issue a permanent or temporary injunction, restraining order, or  
21 declaratory judgment.

22 (b) Order other appropriate or ancillary relief, which may include any of the  
23 following:

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1           1. An asset freeze, accounting, writ of attachment, writ of general or specific  
2 execution, and appointment of a receiver or conservator, that may be the  
3 administrator, for the defendant or the defendant's assets.

4           2. Ordering the administrator to take charge and control of a defendant's  
5 property, including investment accounts and accounts in a depository institution,  
6 rents, and profits; to collect debts; and to acquire and dispose of property.

7           3. Imposing a civil penalty up to \$5,000 for a single violation or up to \$250,000  
8 for more than one violation; an order of rescission, restitution, or disgorgement  
9 directed to a person that has engaged in an act, practice, or course of business  
10 constituting a violation of this chapter or the predecessor act or a rule adopted or  
11 order issued under this chapter or the predecessor act.

12           4. Ordering the payment of prejudgment and postjudgment interest.

13           (c) Order such other relief as the court considers appropriate.

14           **(3) NO BOND REQUIRED.** The administrator may not be required to post a bond  
15 in an action or proceeding under this chapter.

16           **551.604 Administrative enforcement. (1) ISSUANCE OF AN ORDER OR NOTICE.**  
17 If the administrator determines that a person has engaged, is engaging, or is about  
18 to engage in an act, practice, or course of business constituting a violation of this  
19 chapter or a rule adopted or order issued under this chapter or that a person has  
20 materially aided, is materially aiding, or is about to materially aid an act, practice,  
21 or course of business constituting a violation of this chapter or a rule adopted or order  
22 issued under this chapter, the administrator may do any of the following:

23           (a) Issue an order directing the person to cease and desist from engaging in the  
24 act, practice, or course of business or to take other action necessary or appropriate  
25 to comply with this chapter.

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1           (b) Issue an order denying, suspending, revoking, or conditioning the  
2 exemptions for a broker-dealer under s. 551.401 (2) (d) or (f) or an investment adviser  
3 under s. 551.403 (2) (a) 3.

4           (c) Issue an order under s. 551.204.

5           **(2) SUMMARY PROCESS.** An order under sub. (1) is effective on the date of  
6 issuance. Upon issuance of the order, the administrator shall promptly serve each  
7 person subject to the order with a copy of the order and a notice that the order has  
8 been entered. The order must include a statement of any civil penalty or costs of  
9 investigation the administrator will seek, a statement of the reasons for the order,  
10 and notice that, within 15 days after receipt of a request in a record from the person,  
11 the matter will be scheduled for a hearing. If a person subject to the order does not  
12 request a hearing and none is ordered by the administrator within 30 days after the  
13 date of service of the order, the order, including the imposition of a civil penalty or  
14 requirement for payment of the costs of investigation sought in a statement in the  
15 order, becomes final as to that person by operation of law. If a hearing is requested  
16 or ordered, the administrator, after notice of and opportunity for hearing to each  
17 person subject to the order, may modify or vacate the order or extend it until final  
18 determination.

19           **(3) PROCEDURE FOR FINAL ORDER.** If a hearing is requested or ordered pursuant  
20 to sub. (2), a hearing must be held pursuant to ch. 227. A final order may not be  
21 issued unless the administrator makes findings of fact and conclusions of law in a  
22 record in accordance with ch. 227. The final order may make final, vacate, or modify  
23 the order issued under sub. (1).

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1           **(4) CIVIL PENALTY.** In a final order under sub. (3), the administrator may impose  
2 a civil penalty in the form of an administrative assessment up to \$5,000 for a single  
3 violation or up to \$250,000 for more than one violation.

4           **(5) COSTS.** In a final order, the administrator may charge the actual cost of an  
5 investigation or proceeding for a violation of this chapter or a rule adopted or order  
6 issued under this chapter.

7           **(6) FILING OF CERTIFIED FINAL ORDER WITH COURT; EFFECT OF FILING.** If a petition  
8 for judicial review of a final order is not filed in accordance with s. 551.609, the  
9 administrator may file a certified copy of the final order with the clerk of a court of  
10 competent jurisdiction. The order so filed has the same effect as a judgment of the  
11 court and may be recorded, enforced, or satisfied in the same manner as a judgment  
12 of the court.

13           **(7) ENFORCEMENT BY COURT; FURTHER CIVIL PENALTY.** If a person does not comply  
14 with an order under this section, the administrator may petition a court of competent  
15 jurisdiction to enforce the order. The court may not require the administrator to post  
16 a bond in an action or proceeding under this section. If the court finds, after service  
17 and opportunity for hearing, that the person was not in compliance with the order,  
18 the court may adjudge the person in civil contempt of the order. The court may  
19 impose a further civil penalty against the person for contempt in an amount not less  
20 than \$5,000 but not greater than \$100,000 for each violation and may grant any  
21 other relief the court determines is just and proper in the circumstances.

22           **551.605 Rules, forms, orders, interpretative opinions, and hearings.**

23           **(1) ISSUANCE AND ADOPTION OF FORMS, ORDERS, AND RULES.** The administrator may do  
24 any of the following:

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1           (a) Issue forms and orders and, after notice and comment, adopt and amend  
2 rules necessary or appropriate to carry out this chapter, and repeal rules, including  
3 rules and forms governing registration statements, applications, notice filings,  
4 reports, and other records.

5           (b) By rule, define terms, whether or not used in this chapter, but those  
6 definitions may not be inconsistent with this chapter.

7           (c) By rule, classify securities, persons, and transactions and adopt different  
8 requirements for different classes.

9           **(2) FINDINGS AND COOPERATION.** Under this chapter, except as provided under  
10 s. 551.412 (4g) (b) and (c), a rule or form may not be adopted or amended, or an order  
11 issued or amended, unless the administrator finds that the rule, form, order, or  
12 amendment is necessary or appropriate in the public interest or for the protection  
13 of investors and is consistent with the purposes intended by this chapter. In  
14 adopting, amending, and repealing rules and forms, s. 551.608 applies in order to  
15 achieve uniformity among the states and coordination with federal laws in the form  
16 and content of registration statements, applications, reports, and other records,  
17 including the adoption of uniform rules, forms, and procedures.

18           **(3) FINANCIAL STATEMENTS.** Subject to section 15 (h) of the Securities Exchange  
19 Act and section 222 of the Investment Advisers Act of 1940, the administrator may  
20 require that a financial statement filed under this chapter be prepared in accordance  
21 with generally accepted accounting principles in the United States and comply with  
22 other requirements specified by rule adopted or order issued under this chapter. A  
23 rule adopted or order issued under this chapter may establish:



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1 (a) Subject to section 15 (h) of the Securities Exchange Act and section 222 of  
2 the Investment Advisers Act of 1940, the form and content of financial statements  
3 required under this chapter.

4 (b) Whether unconsolidated financial statements must be filed.

5 (c) Whether required financial statements must be audited by an independent  
6 certified public accountant.

7 **(4) INTERPRETATIVE OPINIONS.** The administrator may provide interpretative  
8 opinions or issue determinations that the administrator will not institute a  
9 proceeding or an action under this chapter against a specified person for engaging  
10 in a specified act, practice, or course of business if the determination is consistent  
11 with this chapter. A rule adopted or order issued under this chapter may establish  
12 a reasonable charge for interpretative opinions or determinations that the  
13 administrator will not institute an action or a proceeding under this chapter.

14 **(5) EFFECT OF COMPLIANCE.** A penalty under this chapter may not be imposed  
15 for, and liability does not arise from, conduct that is engaged in or omitted in good  
16 faith in conformity with a rule, form, or order of the administrator under this chapter.

17 **(6) PRESUMPTION FOR PUBLIC HEARINGS.** A hearing in an administrative  
18 proceeding under this chapter must be conducted in public unless the administrator  
19 for good cause consistent with this chapter determines that the hearing will not be  
20 so conducted.

21 **551.606 Administrative files and opinions. (1) PUBLIC REGISTER OF FILINGS.**  
22 The administrator shall maintain, or designate a person to maintain, a register of  
23 applications for registration of securities; registration statements; notice filings;  
24 applications for registration of broker-dealers, agents, investment advisers, and  
25 investment adviser representatives; notice filings by federal covered investment

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1 advisers that are or have been effective under this chapter or the predecessor act;  
2 notices of claims of exemption from registration or notice filing requirements  
3 contained in a record; orders issued under this chapter or the predecessor act; and  
4 interpretative opinions or no action determinations issued under this chapter.

5 (2) PUBLIC AVAILABILITY. The administrator shall make all rules, forms,  
6 interpretative opinions, and orders available to the public.

7 (3) COPIES OF PUBLIC RECORDS. The administrator shall furnish a copy of a record  
8 that is a public record or a certification that the public record does not exist to a  
9 person that so requests. A rule adopted under this chapter may establish a  
10 reasonable charge for furnishing the record or certification. A copy of the record  
11 certified or a certificate by the administrator of a record's nonexistence is prima facie  
12 evidence of a record or its nonexistence.

13 **551.607 Public records; confidentiality.** (1) PRESUMPTION OF PUBLIC  
14 RECORDS. Except as otherwise provided in sub. (2), records obtained by the  
15 administrator or filed under this chapter, including a record contained in or filed with  
16 a registration statement, application, notice filing, or report, are public records and  
17 are available for public examination.

18 (2) NONPUBLIC RECORDS. The following records are not public records and are  
19 not available for public examination under sub. (1):

20 (a) Information and records obtained by the administrator in connection with  
21 an audit or inspection under s. 551.411 (4) or a pending investigation under s.  
22 551.602.

23 (b) A part of a record filed in connection with a registration statement under  
24 ss. 551.301 and 551.303 to 551.305 or a record under s. 551.411 (4) that contains trade

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1 secrets or confidential information if the person filing the registration statement or  
2 record has asserted a claim of confidentiality or privilege that is authorized by law.

3 (c) A record that is not required to be provided to the administrator or filed  
4 under this chapter and is provided to the administrator only on the condition that  
5 the record will not be subject to public examination or disclosure.

6 (d) A nonpublic record received from a person specified in s. 551.608 (1).

7 (e) Subject to s. 551.406 (6) (a), any social security number, residential address  
8 unless used as a business address, and residential telephone number unless used as  
9 a business telephone number, contained in a record that is filed.

10 (f) A record obtained by the administrator through a designee of the  
11 administrator that a rule or order under this chapter determines has been  
12 appropriately expunged from the administrator's records by the designee.

13 **(3) ADMINISTRATOR DISCRETION TO DISCLOSE.** If disclosure is for the purpose of a  
14 civil, administrative, or criminal investigation, action, or proceeding or to a person  
15 specified in s. 551.608 (1), the administrator may disclose a record or information  
16 obtained in connection with an audit or inspection under s. 551.411 (4) or a record  
17 or information obtained in connection with a pending investigation under s. 551.602.

18 **551.608 Uniformity and cooperation with other agencies. (1) OBJECTIVE**  
19 **OF UNIFORMITY.** The administrator shall, in its discretion, cooperate, coordinate,  
20 consult, and, subject to s. 551.607, share records and information with the securities  
21 regulator of another state, Canada, a Canadian province or territory, a foreign  
22 jurisdiction, the Securities and Exchange Commission, the United States  
23 Department of Justice, the Commodity Futures Trading Commission, the Federal  
24 Trade Commission, the Securities Investor Protection Corporation, a self-regulatory  
25 organization, a national or international organization of securities regulators, a

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1 federal or state banking or insurance regulator, and a governmental law  
2 enforcement agency to effectuate greater uniformity in securities matters among the  
3 federal government, self-regulatory organizations, states, and foreign governments.

4 (2) POLICIES TO CONSIDER. In cooperating, coordinating, consulting, and sharing  
5 records and information under this section and in acting by rule, order, or waiver  
6 under this chapter, the administrator shall, in its discretion, take into consideration  
7 in carrying out the public interest the following general policies:

8 (a) Maximizing effectiveness of regulation for the protection of investors.

9 (b) Maximizing uniformity in federal and state regulatory standards.

10 (c) Minimizing burdens on the business of capital formation, without adversely  
11 affecting essentials of investor protection.

12 (3) SUBJECTS FOR COOPERATION. The cooperation, coordination, consultation,  
13 and sharing of records and information authorized by this section includes:

14 (a) Establishing or employing one or more designees as a central depository for  
15 registration and notice filings under this chapter and for records required or allowed  
16 to be maintained under this chapter.

17 (b) Developing and maintaining uniform forms.

18 (c) Conducting a joint examination or investigation.

19 (d) Holding a joint administrative hearing.

20 (e) Instituting and prosecuting a joint civil or administrative proceeding.

21 (f) Sharing and exchanging personnel.

22 (g) Coordinating registrations under ss. 551.301 and 551.401 to 551.404 and  
23 exemptions under s. 551.203.

24 (h) Sharing and exchanging records, subject to s. 551.607.

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1 (i) Formulating rules, statements of policy, guidelines, forms, and  
2 interpretative opinions and releases.

3 (j) Formulating common systems and procedures.

4 (k) Notifying the public of proposed rules, forms, statements of policy, and  
5 guidelines.

6 (L) Attending conferences and other meetings among securities regulators,  
7 which may include representatives of governmental and private sector organizations  
8 involved in capital formation, deemed necessary or appropriate to promote or achieve  
9 uniformity.

10 (m) Developing and maintaining a uniform exemption from registration for  
11 small issuers, and taking other steps to reduce the burden of raising investment  
12 capital by small businesses.

13 **551.609 Judicial review.** A final order issued by the administrator under this  
14 chapter is subject to judicial review in accordance with ch. 227, but administrative  
15 enforcement orders originally entered without hearing may be reviewed only if the  
16 party seeking review has requested a hearing within the time provided by s. 551.604  
17 (2).

18 **551.611 Service of process. (1) SIGNED CONSENT TO SERVICE OF PROCESS.** A  
19 consent to service of process complying with this section required by this chapter  
20 must be signed and filed in the form required by a rule or order under this chapter.  
21 A consent appointing the administrator the person's agent for service of process in  
22 a noncriminal action or proceeding against the person, or the person's successor or  
23 personal representative under this chapter or a rule adopted or order issued under  
24 this chapter after the consent is filed, has the same force and validity as if the service  
25 were made personally on the person filing the consent. A person that has filed a

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1 consent complying with this subsection in connection with a previous application for  
2 registration or notice filing need not file an additional consent.

3       **(2) CONDUCT CONSTITUTING APPOINTMENT OF AGENT FOR SERVICE.** If a person,  
4 including a nonresident of this state, engages in an act, practice, or course of business  
5 prohibited or made actionable by this chapter or a rule adopted or order issued under  
6 this chapter and the person has not filed a consent to service of process under sub.  
7 (1), the act, practice, or course of business constitutes the appointment of the  
8 administrator as the person's agent for service of process in a noncriminal action or  
9 proceeding against the person or the person's successor or personal representative.

10       **(3) PROCEDURE FOR SERVICE OF PROCESS.** Service under sub. (1) or (2) may be  
11 made by providing a copy of the process to the office of the administrator, but it is not  
12 effective unless all of the following apply:

13       (a) The plaintiff, which may be the administrator, promptly sends notice of the  
14 service and a copy of the process, return receipt requested, to the defendant or  
15 respondent at the address set forth in the consent to service of process or, if a consent  
16 to service of process has not been filed, at the last known address, or takes other  
17 reasonable steps to give notice.

18       (b) The plaintiff files an affidavit of compliance with this subsection in the  
19 action or proceeding on or before the return day of the process, if any, or within the  
20 time that the court, or the administrator in a proceeding before the administrator,  
21 allows.

22       **(4) SERVICE IN ADMINISTRATIVE PROCEEDINGS OR CIVIL ACTIONS BY ADMINISTRATOR.**  
23 Service pursuant to sub. (3) may be used in a proceeding before the administrator or  
24 by the administrator in a civil action in which the administrator is the moving party.

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1           **(5) OPPORTUNITY TO DEFEND.** If process is served under sub. (3), the court, or the  
2 administrator in a proceeding before the administrator, shall order continuances as  
3 are necessary or appropriate to afford the defendant or respondent reasonable  
4 opportunity to defend.

5           **551.613 Jurisdiction. (1) SALES AND OFFERS TO SELL.** Sections 551.301,  
6 551.302, 551.401 (1), 551.402 (1), 551.403 (1), 551.404 (1), 551.501, 551.506, 551.509,  
7 and 551.511 do not apply to a person that sells or offers to sell a security unless the  
8 offer to sell or the sale is made in this state or the offer to purchase or the purchase  
9 is made and accepted in this state.

10           **(2) PURCHASES AND OFFERS TO PURCHASE.** Sections 551.401 (1), 551.402 (1),  
11 551.403 (1), 551.404 (1), 551.501, 551.506, 551.509, and 551.511 do not apply to a  
12 person that purchases or offers to purchase a security unless the offer to purchase  
13 or the purchase is made in this state or the offer to sell or the sale is made and  
14 accepted in this state.

15           **(3) OFFERS IN THIS STATE.** For the purpose of this section, an offer to sell or to  
16 purchase a security is made in this state, whether or not either party is then present  
17 in this state, if the offer meets any of the following criteria:

18           (a) The offer originates from within this state.

19           (b) The offer is directed by the offeror to a place in this state and received at the  
20 place to which it is directed, but for purposes of s. 551.301, an offer to sell which is  
21 not directed to or received by the offeree in this state is not made in this state.

22           **(4) ACCEPTANCES IN THIS STATE.** For the purpose of this section, an offer to  
23 purchase or to sell is accepted in this state, whether or not either party is then  
24 present in this state, if the acceptance meets all of the following criteria:

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1           (a) The acceptance is communicated to the offeror in this state and the offeree  
2 reasonably believes the offeror to be present in this state and the acceptance is  
3 received at the place in this state to which it is directed.

4           (b) The acceptance has not previously been communicated to the offeror, orally  
5 or in a record, outside this state.

6           **(5) PUBLICATIONS, RADIO, TELEVISION, OR ELECTRONIC COMMUNICATIONS.** An offer  
7 to sell or to purchase is not made in this state when a publisher circulates or there  
8 is circulated on the publisher's behalf in this state a bona fide newspaper or other  
9 publication of general, regular, and paid circulation that is not published in this  
10 state, or that is published in this state but has had more than two-thirds of its  
11 circulation outside this state during the previous 12 months, or when a radio or  
12 television program or other electronic communication originating outside this state  
13 is received in this state. A radio, television program, or other electronic  
14 communication is considered as having originated in this state if either the broadcast  
15 studio or the originating source of transmission is located in this state, unless any  
16 of the following apply:

17           (a) The program or communication is syndicated and distributed from outside  
18 this state for redistribution to the general public in this state.

19           (b) The program or communication is supplied by a radio, television, or other  
20 electronic network with the electronic signal originating from outside this state for  
21 redistribution to the general public in this state.

22           (c) The program or communication is an electronic communication that  
23 originates outside this state and is captured for redistribution to the general public  
24 in this state by a community antenna or cable, radio, cable television, or other  
25 electronic system.



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1 (d) The program or communication consists of an electronic communication  
2 that originates in this state, but which is not intended for distribution to the general  
3 public in this state.

4 (6) INVESTMENT ADVICE AND MISREPRESENTATIONS. Sections 551.403 (1), 551.404  
5 (1), 551.405 (1), 551.502, 551.505, and 551.506 apply to a person if the person engages  
6 in an act, practice, or course of business instrumental in effecting prohibited or  
7 actionable conduct in this state, whether or not either party is then present in this  
8 state.

9 **551.614 Fees and expenses. (1) REGISTRATION AND NOTICE FILING FEES AND**  
10 **REPORTING.** (a) There shall be a filing fee of \$750 for every registration statement filed  
11 under s. 551.303 or 551.304, and for every notice filing under s. 551.302. If a  
12 registration statement is denied or withdrawn before the effective date or a  
13 pre-effective stop order is entered under s. 551.306, or a notice filing is withdrawn,  
14 the filing fee shall be retained.

15 (b) 1. An indefinite amount of securities shall be registered for offer and sale  
16 in this state under a registration statement relating to redeemable securities issued  
17 by an open-end management company or a face amount certificate company, as  
18 defined in the Investment Company Act of 1940, and the applicant shall pay the fee  
19 under par. (a). The registrant also shall, within 60 days after the end of each fiscal  
20 year during which its registration statement is effective and within 60 days after the  
21 registration is terminated, file a report on a form prescribed by rule of the division.  
22 The form shall require the registrant to do one of the following:

23 a. Elect not to include the information under subd. 1. b. and instead pay a fee  
24 of \$1,500.

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1           b. Report the amount of securities sold to persons in this state during the  
2 preceding fiscal year or, if the registration is terminated, during the portion of the  
3 preceding fiscal year during which the registration was effective, and pay a fee of 0.05  
4 percent of the dollar amount of the securities sold to persons in this state, but not less  
5 than \$150 nor more than \$1,500.

6           2. An indefinite amount of securities is eligible for offer and sale in this state  
7 resulting from a notice filing under s. 551.302 for the initial offer of a federal covered  
8 security under section 18 (b) (2) of the Securities Act of 1933, if the filing party has  
9 notified the division of securities of the issuer's fiscal year, and the filing party pays  
10 the fee under par. (a). The filing party shall also, within 90 days after the end of each  
11 fiscal year following the filing under s. 551.302, and within 90 days after sales in this  
12 state have terminated, file a report to allow the division of securities to determine  
13 that the amount of the fee paid is correct. The report shall be on a form prescribed  
14 by rule of the division and shall require the filing party to do one of the following:

15           a. Elect not to include the information under subd. 2. b. and instead pay a fee  
16 of \$1,500.

17           b. Report the amount of securities sold to persons in this state during the  
18 preceding fiscal year or, if sales have terminated, during the portion of the preceding  
19 fiscal year during which sales were made, and pay a fee of 0.05 percent of the dollar  
20 amount of the securities sold to persons in this state, but not less than \$150 nor more  
21 than \$1,500.

22           **(2) FEES RELATED TO BROKER-DEALERS, AGENTS, INVESTMENT ADVISERS, INVESTMENT**  
23 **ADVISER REPRESENTATIVES, AND FEDERAL COVERED ADVISERS.** Every applicant for an  
24 initial or renewal license under s. 551.401, 551.402, 551.403, or 551.404 shall pay a  
25 filing fee of \$200 in the case of a broker-dealer or investment adviser and \$30 in the

**BILL****SECTION 16**

1 case of an agent representing a broker-dealer or issuer or an investment adviser  
2 representative. Every federal covered adviser in this state that is required to make  
3 a notice filing under s. 551.405 shall pay an initial or renewal notice filing fee of \$200.  
4 A broker-dealer, investment adviser, or federal covered adviser maintaining a  
5 branch office within this state shall pay an additional filing fee of \$30 for each branch  
6 office. When an application is denied, or an application or a notice filing is  
7 withdrawn, the filing fee shall be retained.

8 **(3) EXAMINATION EXPENSES.** The expenses reasonably attributable to the  
9 examination of any matter arising under this chapter shall be charged to the  
10 applicant, registrant, or licensee involved, but the expenses so charged shall not  
11 exceed such maximum amounts as the division of securities by rule prescribes.

12 **(4) OTHER FEES.** The division of securities may by rule require the payment of  
13 prescribed fees for delinquent or materially deficient filings of information or  
14 documents required under this chapter to be filed with the division or an  
15 organization designated under s. 551.406 (1) (intro.).

16 **(5) FEES PAID TO STATE.** All fees and expenses collected by the division under this  
17 section shall be deposited into the general fund and credited to the appropriation  
18 account under s. 20.144 (1) (g).

19 **551.615 Statutory policy.** This chapter shall be so construed as to effectuate  
20 its general purpose to make uniform the law of those states which enact the “Uniform  
21 Securities Act of 2002” and to coordinate the interpretation and administration of  
22 this chapter with related federal regulation.

## SUBCHAPTER VII

## TRANSITION

**BILL**

1           **551.701 Effective date.** This chapter takes effect on the effective date of this  
2 section .... [revisor inserts date].

3           **551.703 Application of act to existing proceeding and existing rights**  
4 **and duties. (1)** APPLICABILITY OF PREDECESSOR ACT TO PENDING PROCEEDINGS AND  
5 EXISTING RIGHTS. The predecessor act exclusively governs all actions or proceedings  
6 that are pending on the effective date of this subsection .... [revisor inserts date], or  
7 may be instituted on the basis of conduct occurring before the effective date of this  
8 subsection .... [revisor inserts date], but a civil action may not be maintained to  
9 enforce any liability under the predecessor act unless instituted within any period  
10 of limitation that applied when the cause of action accrued or within 5 years after the  
11 effective date of this subsection .... [revisor inserts date], whichever is earlier.

12           **(2)** CONTINUED EFFECTIVENESS UNDER PREDECESSOR ACT. All effective  
13 registrations under the predecessor act, and all administrative orders relating to the  
14 registrations, rules, statements of policy, interpretative opinions, declaratory  
15 rulings, no action determinations, and conditions imposed on the registrations under  
16 the predecessor act, remain in effect while they would have remained in effect if this  
17 chapter had not been reenacted. They are considered to have been filed, issued, or  
18 imposed under this chapter, but are exclusively governed by the predecessor act.

19           **(3)** APPLICABILITY OF PREDECESSOR ACT TO OFFERS OR SALES. The predecessor act  
20 exclusively applies to an offer or sale made within one year after the effective date  
21 of this subsection .... [revisor inserts date], pursuant to an offering made in good faith  
22 before the effective date of this subsection .... [revisor inserts date], on the basis of  
23 an exemption available under the predecessor act.

24           **SECTION 17.** 552.01 (6) (c) of the statutes is amended to read:

**BILL**

1           552.01 **(6)** (c) Whose equity securities of any class are or have been registered  
2 under ch. 551 or predecessor laws, or are registered under section 12 of the securities  
3 exchange act of 1934 or which is an entity identified in s. ~~551.22 (3), (4) or (5)~~ 551.201  
4 (3); and

5           **SECTION 18.** 552.05 (2) (intro.) of the statutes is amended to read:

6           552.05 **(2)** (intro.) The registration statement shall be filed on forms prescribed  
7 by the division, and shall be accompanied by a consent by the offeror to service of  
8 process specified in s. ~~551.65 (1)~~ 551.611 and the filing fee specified in s. 552.15 (1),  
9 and shall contain the following information and such additional information as the  
10 division by rule prescribes:

11           **SECTION 19.** 560.036 (1) (fm) 2. of the statutes is amended to read:

12           560.036 **(1)** (fm) 2. It serves as a manager, comanager or in any other  
13 underwriting capacity with regard to the sale of evidences of indebtedness or other  
14 obligations or as a broker-dealer as defined in s. ~~551.02 (3)~~ 551.102 (4).

15           **SECTION 20.** 611.76 (11) of the statutes is amended to read:

16           611.76 **(11)** SECURITY REGULATION. The filing with the division of securities of  
17 a certified copy of the plan of conversion as approved by the commissioner constitutes  
18 registration under s. ~~551.27~~ 551.305 of the securities authorized to be issued  
19 thereunder.

20           **SECTION 21.** 644.22 of the statutes is amended to read:

21           **644.22 Securities regulation.** A membership interest in a domestic mutual  
22 holding company shall not constitute a security, as defined in s. ~~551.02 (13)~~ 551.102  
23 (28).

24           **SECTION 22.** 893.66 (3) of the statutes is amended to read:

**BILL**

1           893.66 **(3)** This section does not apply to actions subject to s. ~~551.59 (5)~~ 551.509  
2           (10) or 553.51 (4).

3           **SECTION 23.** 946.79 (1) (a) of the statutes is amended to read:

4           946.79 **(1)** (a) “Financial institution” means a bank, savings bank, savings and  
5           loan association, credit union, loan company, sales finance company, insurance  
6           premium finance company, community currency exchange, seller of checks,  
7           insurance company, trust company, securities broker–dealer, as defined in s. 551.02  
8           ~~(3)~~ 551.102 (4), mortgage banker, mortgage broker, pawnbroker, as defined in s.  
9           134.71 (1) (e), telegraph company, or dealer in precious metals, stones, or jewels.

10          **SECTION 24.** 946.82 (4) of the statutes is amended to read:

11          946.82 **(4)** “Racketeering activity” means any activity specified in 18 USC 1961  
12          (1) in effect as of April 27, 1982, or the attempt, conspiracy to commit, or commission  
13          of any of the felonies specified in: chs. 945 and 961, subch. V of ch. 551, and ss. 49.49,  
14          134.05, 139.44 (1), 180.0129, 181.0129, 185.825, 201.09 (2), 215.12, 221.0625,  
15          221.0636, 221.0637, 221.1004, ~~551.41, 551.42, 551.43, 551.44~~, 553.41 (3) and (4),  
16          553.52 (2), 940.01, 940.19 (4) to (6), 940.20, 940.201, 940.203, 940.21, 940.30,  
17          940.305, 940.31, 941.20 (2) and (3), 941.26, 941.28, 941.298, 941.31, 941.32, 942.09,  
18          943.01 (2), (2d), or (2g), 943.011, 943.012, 943.013, 943.02, 943.03, 943.04, 943.05,  
19          943.06, 943.10, 943.20 (3) (bf) to (e), 943.201, 943.203, 943.23 (1g), (2) and (3), 943.24  
20          (2), 943.27, 943.28, 943.30, 943.32, 943.34 (1) (bf), (bm), and (c), 943.38, 943.39,  
21          943.40, 943.41 (8) (b) and (c), 943.50 (4) (bf), (bm), and (c), 943.60, 943.70, 943.76,  
22          943.81, 943.82, 943.83, 943.84, 943.85, 943.86, 943.87, 943.88, 943.89, 943.90, 944.21  
23          (5) (c) and (e), 944.32, 944.33 (2), 944.34, 945.03 (1m), 945.04 (1m), 945.05 (1), 945.08,  
24          946.10, 946.11, 946.12, 946.13, 946.31, 946.32 (1), 946.48, 946.49, 946.61, 946.64,  
25          946.65, 946.72, 946.76, 946.79, 947.015, 948.05, 948.08, 948.12, and 948.30.



**Basford, Sarah**

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**From:** Swenkofske, Matthew  
**Sent:** Friday, January 18, 2008 2:13 PM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 07-3866/1 Topic: Uniform Securities Act

Please Jacket LRB 07-3866/1 for the SENATE.