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LEGISLATIVE SERVICES

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1996



ENROLLED

HOUSE BILL No. 4718

(By Delegate Hunt)



Passed March 9, 1996

In Effect Ninety Days From Passage



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ENROLLED
H. B. 4718

(BY DELEGATE HUNT)

[Passed March 9, 1996; in effect ninety days from passage.]

AN ACT to amend and reenact section two hundred three, article two, chapter thirty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to reporting by broker dealers, agents and investment advisors.

Be it enacted by the Legislature of West Virginia:

That section two hundred three, article two, chapter thirty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 2. REGISTRATION OF BROKER-DEALERS, AGENTS AND INVESTMENT ADVISERS.

§32-2-203. Postregistration provisions.

1 (a) Every registered broker-dealer and investment
2 adviser shall make and keep such accounts,
3 correspondence, memoranda, papers, books and other
4 records as the commissioner by rule prescribes. All
5 records so required shall be preserved for three years
6 unless the commissioner by rule prescribes otherwise for
7 particular types of records.

8 (b) Every registered broker-dealer and investment
9 adviser shall file such financial reports as the
10 commissioner by rule prescribes.

11 (c) If the information contained in any document
12 filed with the commissioner is or becomes inaccurate or

13 incomplete in any material respect, the registrant shall
14 promptly file a correcting amendment unless notification
15 of the correction has been given under subsection (b),
16 section two hundred one of this article.

17 (d) In addition to any other report required by the
18 commissioner, each registered broker-dealer with a
19 physical office location within this state shall file an
20 annual report, as of the thirty-first day of December, and
21 due on or before the fifteenth day of February, including
22 certain aggregate product sales information. The report
23 shall include the following, by office location (regardless
24 of whether such location constitutes a branch): (i) The
25 aggregate dollar amount of certificates of deposits or
26 other federally insured deposit products sold to customers
27 which are held by or accounted for by the broker-dealer
28 on behalf of its customers; and (ii) the aggregate dollar
29 amount of money market accounts or other accounts
30 accessible by draft, order or check which are held by or
31 accounted for by the broker-dealer on behalf of its
32 customers. The commissioner may prescribe the form of
33 such report and may promulgate rules to implement the
34 requirements of this section.

35 (e) All the records referred to in subsection (a) of this
36 section are subject at any time or from time to time to
37 such reasonable periodic, special or other examinations by
38 representatives of the commissioner, within or without this
39 state, as the commissioner deems necessary or appropriate
40 in the public interest or for the protection of investors.
41 For the purpose of avoiding unnecessary duplication of
42 examinations, the commissioner, insofar as he deems it
43 practicable in administering this subsection, may co-
44 operate with the securities administrators of other states,
45 the securities and exchange commission, and any national
46 securities exchange or national securities association
47 registered under the Securities Exchange Act of 1934.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Randy Johnson
Chairman Senate Committee

Rudy Deane
Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.
Carroll Phillips
Clerk of the Senate

Gregory D. Sawyer
Clerk of the House of Delegates

Carl By Tomblin
President of the Senate

Robert Corcoran
Speaker of the House of Delegates

The within is approved this the 28th
day of March, 1996.

Garston Caperton
Governor



PRESENTED TO THE

GOVERNOR

Date 3/27/96

Time 2:56 pm