

ENROLLED
Senate Bill No. 61

(BY MR. WILLIAMS)

[Passed March 13, 1982; in effect from passage.]

AN ACT to amend and reenact section two hundred two, article two, chapter thirty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the registration procedure for securities broker-dealers, agents and investment advisers; increasing fees for registration.

Be it enacted by the Legislature of West Virginia:

That section two hundred two, 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.

§32-2-202. Registration procedure.

1 (a) A broker-dealer, agent or investment adviser may
2 obtain an initial or renewal registration by filing with the
3 commissioner an application together with a consent to
4 service of process pursuant to section four hundred
5 fourteen-(g). The application shall contain whatever
6 information the commissioner by rule requires concerning
7 such matters as (1) the applicant's firm and place of
8 organization; (2) the applicant's proposed method of doing
9 business; (3) the qualifications and business history of the
10 applicant; in the case of a broker-dealer or investment
11 adviser, the qualifications and business history of any
12 partner, officer or director, any person occupying a similar
13 status or performing similar functions, or any person directly

14 or indirectly controlling the broker-dealer or investment
15 adviser; and, in the case of an investment adviser, the
16 qualifications and business history of any employee; (4) any
17 injunction or administrative order or conviction of a
18 misdemeanor involving a security or any aspect of the
19 securities business and any conviction of a felony; and (5) the
20 applicant's financial condition and history. The
21 commissioner may by rule or order require an applicant for
22 initial registration to publish an announcement of the
23 application as a Class I legal advertisement in compliance
24 with the provisions of article three, chapter fifty-nine of this
25 code, and the publication area or areas for such publication
26 shall be specified by the commissioner. If no denial order is in
27 effect and no proceeding is pending under section two
28 hundred four, registration becomes effective at noon of the
29 thirtieth day after an application is filed. The commissioner
30 may by rule or order specify an earlier effective date, and he
31 may by order defer the effective date until noon of the
32 thirtieth day after the filing of any amendment. Registration
33 of a broker-dealer automatically constitutes registration of
34 any agent who is a partner, officer or director, or a person
35 occupying a similar status or performing similar functions, as
36 designated by the broker-dealer in writing to the
37 commissioner and approved in writing by the commissioner.

38 (b) Every applicant for initial or renewal registration shall
39 pay a filing fee of one hundred fifty dollars in the case of a
40 broker-dealer, thirty dollars in the case of an agent, and one
41 hundred dollars in the case of an investment adviser. When
42 application is denied or withdrawn, the commissioner shall
43 retain all of the fee.

44 (c) A registered broker-dealer or investment adviser may
45 file an application for registration of a successor, whether or
46 not the successor is then in existence, for the unexpired
47 portion of the year. A filing fee of twenty dollars shall be paid.

48 (d) The commissioner may by rule require a minimum
49 capital for registered broker-dealers and investment advisers.

50 (e) The commissioner may by rule require registered
51 broker-dealers, agents and investment advisers to post surety
52 bonds in amounts up to ten thousand dollars, and may
53 determine their conditions. Any appropriate deposit of cash
54 or securities shall be accepted in lieu of any bond so required.
55 No bond may be required of any registrant whose net capital,
56 which may be defined by rule, exceeds twenty-five thousand

57 dollars. Every bond shall provide for suit thereon by any
58 person who has a cause of action under section four hundred
59 ten and, if the commissioner by rule or order requires, by any
60 person who has a cause of action not arising under this
61 chapter. Every bond shall provide that no suit may be
62 maintained to enforce any liability on the bond unless
63 brought within two years after the sale or other act upon
64 which it is based.

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

R. P. Baylor

Chairman Senate Committee

Tommy E. Whitlow

Chairman House Committee

Originated in the Senate.

To take effect from passage.

Todd C. Willis

Clerk of the Senate

C. A. Blankenship

Clerk of the House of Delegates

Warren J. McAraw

President of the Senate

W. H. Lee, Jr.

Speaker House of Delegates

The within *is approved* this the *30*

day of *March*, 1982.

John A. Ralston

Governor

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