19.8159.02000

Sixty-sixth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2283

Introduced by

Senators Klein, Kreun, Vedaa

Representative Lefor

A BILL for an Act to create and enact a new section to chapter 10-04 of the North Dakota Century Code, relating to the registration of securities.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 10-04 of the North Dakota Century Code is created and enacted as follows:

Registration by coordination.

1. A security for which a registration statement has been filed under the federal Securities Act of 1933 [15 U.S.C. 77a et seq.] in connection with the same offering may be registered by coordination under this section. Only the issuer of the security or a broker-dealer registered under section 10-04-10 may make an application for registration of securities by coordination.
2. A registration statement and accompanying records under this section must contain or be accompanied by all of the following records in addition to the information specified in section 10-04-08, a payment of an initial filing fee in the amount as set forth in subsection 2 of section 10-04-08, and a consent to service of process conforming to the requirements of section 10-04-14:
   a. A copy of the latest form of prospectus filed under the federal Securities Act of 1933 [15 U.S.C. 77a et seq.].
   b. A copy of the articles of incorporation and bylaws, or substantial equivalents, currently in effect; a copy of any agreement with or among underwriters; a copy of any indenture or other instrument governing the issuance of the security to be registered; and a specimen, copy, or description of the security that is required by rule adopted or order issued under this chapter.

c. Copies of any other information or any other records filed by the issuer under the federal Securities Act of 1933 [15 U.S.C. 77a et seq.] requested by the commissioner.

d. An undertaking to forward each amendment to the federal prospectus, other than an amendment that delays the effective date of the registration statement, promptly after filing with the federal securities and exchange commission.

3. A registration statement under this section becomes effective simultaneously with or subsequent to the federal registration statement if all the following conditions are satisfied.

a. A stop order under subsection 4 or issued by the federal securities and exchange commission is not in effect and a proceeding is not pending against the issuer under section 10-04-09.

b. The registration statement has been on file for at least twenty days or a shorter period provided by rule adopted or order issued under this chapter.

4. The registrant promptly shall notify the commissioner in a record of the date the federal registration statement becomes effective and the content of any price amendment and promptly shall file a record containing the price amendment. If the notice is not timely received, the commissioner may issue a stop order, without prior notice or hearing, retroactively denying effectiveness to the registration statement or suspending the registration statement's effectiveness until compliance with this section. The commissioner promptly shall notify the registrant of an order by sending a copy of the order to the registrant and if the registrant subsequently complies with the notice requirements of this section, the stop order is void as of the date of issuance.

5. If the federal registration statement becomes effective before each of the conditions in this section is satisfied or is waived by the commissioner, the registration statement is automatically effective under this chapter at the time all the conditions are satisfied or waived. If the registrant notifies the commissioner of the date the federal registration statement is expected to become effective, the commissioner promptly shall notify the registrant and promptly confirm this notice by a record, indicating whether all the conditions are satisfied or waived and whether the commissioner intends the institution

of a proceeding under section 10-04-09. The notice by the commissioner does not preclude the institution of such a proceeding.

6. Registration under this section is effective for a period of one year. A renewal fee of one hundred fifty dollars must be paid for the renewal of the registration of the securities for additional periods of one year.