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Operator's Signature

10/3/03
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1276

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10/3/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1276

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1/27/03

Tape Number	Side A	Side B	Meter #
4	x		14.0-18.0
Committee Clerk Signature <i>Kaiti Hammer</i>			

Minutes: **Chairman Kelser** opened the hearing on HB 1276.

Rep. Maragos introduced the bill which simply adds one more list that can be referred to in allowing securities to be exempt from registration if they are included in Section 1. This is an administration savings device. The State Securities Commission is kindly disposed to HB 1276.

Rep. Klien: Can you give us an example?

Rep. Maragos: I will get you one, I can get one for you later. The constituent who brought this to me would be able to answer any questions you might have.

Rep. Klien: Are any members of the Securities Commission Board here today?

Rep. Maragos: Not today, they didn't feel there was a need for them to formally testify at today's hearing.

Rep. Ekstrom: Is there a precedent for this in other states?

Rep. Maragos: Yes, that's where my constituent got the idea.

La Costa Rickford
Operator's Signature

10/2/03
Date

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House Industry, Business and Labor Committee

Bill/Resolution Number HB 1276

Hearing Date 1/27/03

As there was no one else present who wished to testify either in support of or in opposition to HB 1276, the hearing was closed.

Rep. Klein moved a do pass. **Rep. Boe** seconded the motion.

The roll call vote was unanimous, 12-0-0.

Rep. Thorpe will carry this bill on the floor.

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10/3/03
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Date: 1/27/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. ~~1274~~ 1276

House Industry, Business & Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Klein Seconded By Boe

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Rep.Boe	✓	
Rep.Severson, Vice-Chair	✓		Rep.Ekstrom	✓	
Rep.Dosch	✓		Rep.Thorpe	✓	
Rep. Froseth	✓		Rep. Zaiser		
Rep. Johnson	✓				
Rep.Kasper	✓				
Rep. Klein	✓				
Rep. Nottlestad	✓				
Rep. Ruby	✓				
Rep.Tieman	✓				

Total (Yes) 14 No 0

Absent _____

Floor Assignment Thorpe

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 27, 2003 7:01 p.m.

Module No: HR-15-1162
Carrier: Thorpe
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1276: Industry, Business and Labor Committee (Rep. Kelser, Chairman)
recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
HB 1276 was placed on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-15-1162

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10/3/03
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2003 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1276

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10/3/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1276

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 03-11-03

Tape Number	Side A	Side B	Meter #
1	xxxx		3600-4350
Committee Clerk Signature <i>Lisa L. Berkman</i>			

Minutes: Chairman Mutch opened the hearing on HB 1276. Senator Krebsbach was absent.

HB 1276 relates to securities exempt from registration.

Testimony in support of HB 1276

Representative Andrew Maragos introduced the bill. He spoke on behalf of one of his constituents, David G. Rothchild, of Minot. See written testimony prepared by Rothchild and read my Rep. Maragos.

Senator Espegard: Would you give an example of a small security.

Rep. Maragos: IRET of Minot is registered on NASDAQ. Rather than go through the cost and paperwork needed to register with the state, they are already registered under the federal securities and exchange act. Then they are exempt from registering in the state. I ran this by the securities department and they are fine with this bill and support it.

No opposition.

Hearing was closed.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number 1276

Hearing Date 03-11-03

Senator Klein moved a DO PASS. Senator Espegard seconded.

Roll Call Vote: 6 yes. 0 no. 1 absent.

Carrier: Senator Klein

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Operator's Signature

La Costa Rickford

Date

10/3/03

4P

Date: 3-11-03
Roll Call Vote #: 1

**2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.**

Senate 1276 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Klein Seconded By Espegard

Senators	Yes	No	Senators	Yes	No
Sen. Mutch, Chairman	X				
Sen. Klein, Vice Chairman	X				
Sen. Krebsbach	A				
Sen. Nething	X				
Sen. Heitkamp	X				
Sen. Every	X				
Sen. Espegard	X				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Klein

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 11, 2003 12:25 p.m.

Module No: SR-43-4437
Carrier: Klein
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1276: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends
DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1276 was placed
on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-43-4437

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10/3/03
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2003 TESTIMONY

HB 1276

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Salvatore Rickford
Operator's Signature

10/3/03
Date

RAYMOND JAMES**FINANCIAL SERVICES, INC.**

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March 10, 2003

RE: House Bill 1276

Dear Chairman Mutch and Member of the Senate IBL Committee:

I asked Representative Maragos to submit a bill to amend and reenact subdivision d of subsection 8 of section 10-04-06 of the North Dakota Century Code to help bring it up to date with information that is available through the internet.

Let me give a bit of a brief background on this proposal. North Dakota law requires that securities be approved for sale in the state by the State Securities Department. This approval by the state is for the purposes of making sure relevant information on that security is made available to the investing public. When that security is approved for sale, the state is saying that the appropriate information has been properly disclosed not that the security is a good or bad investment. In the industry, this is known as the security has been "blue-skyed for sale."

In the case of some securities, they are never brought before the state for approval when they first become public in some cases because the company is small in size or because of our small population base. In these cases, the state still allows us as brokers to still solicit trades for the sale of these securities after they are trading in the public markets if the security meets certain requirements. One of these requirements is the above subdivision d. of the century code. This subdivision d. states that the security must be listed in one of the 6 manual's listed. The intent of this requirement is that investors have information available, before they invest, on the financial information of a company. I am in full agreement with the intent of North Dakota law to have informed investors. But, this provision in the law has not kept pace with the changing times of all the information available on the internet. This bill would allow companies to meet this requirement and be sold in North Dakota (in addition to the other requirements) if they have filed appropriate quarterly and annual financial data with the Securities and Exchange Commission (SEC). These filings are readily available on the internet and will give North Dakota investors as much or more information on the underlying companies as merely being listed in the 6 manuals that are only allowed presently.

Y. Costa Rickford
Operator's Signature

10/3/03
Date

I encourage your support of this proposal and thank you for your consideration.

Sincerely,

David G. Rothchild

David G. Rothchild, CFP, CFA, ChFC, CFS
Branch Manager