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BILL SUMMARY

S.F. No. 4264 – Modifying Provisions Related to Securities Broker-Dealers and Agents

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Senate File 4264 amends several provisions related to securities, broker-dealers, and broker-dealers agents.

Section 1 (amends section 80A.50) requires issuers that offers and sells securities in Minnesota in an offering exempt under federal Regulation Crowdfunding and has a principal place of business in Minnesota to complete a Uniform Notice of Federal Crowdfunding Offering form or copies of all documents filed with SEC, or a consent to service of process on Form U-2 with the administrator.

An issuer may renew the issuer's notice filing by filing a Uniform Notice of Federal Crowdfunding Offering form that is marked renewal or a cover letter requesting renewal.

Section 2 (amends section 80A.66) requires broker-dealer to establish and maintain a written supervisory procedure and a system to apply the procedures.

An investment adviser is required to establish, maintain, and enforce written policies and procedures relating to the following:

(1) business continuity and succession planning; and
(2) physical security and cybersecurity.

A broker-dealer is prohibited from entering into a contract with a customer if the contract contains a condition, stipulation, or provision that binds the customer to waive rights under chapter 80A.

A broker-dealer whose principal office is located in Minnesota must have at least one registered person employed on a full-time basis at the principal office located at Minnesota.

Section 3 (amends 80A.69) prohibits an investment adviser from accessing a client's account by using the client's unique identifying information.

Section 4 [80A.691; Broker-Dealers; Agents; Dishonest or Unethical Business Practices] establishes the acts or practices that are contrary to high standards of commercial honor and just and equitable principles of trade.

Section 5 (amends section 80C.12) provides penalties.

Section 6 [Other Real Estate; Expedited Rulemaking] requires the commissioner to adopt rules.

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