



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

DIVISION OF BANKING AND SECURITIES

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MEMORANDUM

TO: All Interested Persons

DATE: Tuesday, March 03, 2015

FROM: Kristy Naylor, Chief of Enforcement and RE: Securities Regulation Updates
Securities *KN*

The following four pages reflect changes made to the Securities Regulations in Title 3, Chapter 8 of the Alaska Administrative Code. The attached document, including the handwritten markup, is the official version of the regulations as approved by the Department of Law, adopted by the Department of Commerce, Community, and Economic Development, and filed by the Lieutenant Governor. The regulations are effective as of March 4, 2015.

The following changes are made to the regulations:

- An incorrect citation in 3 AAC 08.065(a) is corrected;
- References to the National Association of Securities Dealers (NASD) are updated to reflect its reorganization as the Financial Industry Regulatory Authority (FINRA);
- The list of "nationally recognized securities manuals" as they apply to AS 45.55.900(b)(17), the "manual exemption," is updated;
- The filing requirement for exemptions under AS 45.55.900(b)(5)(A) and (B) are deleted to implement a statutory change effective July 1, 2014;
- The filing requirement for exemptions under AS 45.55.900(b)(4) is eliminated;
- 3 AAC 08.910(6) is updated to implement a statutory change in AS 45.55.900(b)(7) effective July 1, 2014, requiring an exemption filing only when a commission or other remuneration is paid;
- Filings for exemptions under AS 45.55.900(b)(19) must now be filed ten business days prior to a rescission offer rather than two days;
- A definition of "controlling person" for purposes of AS 45.55.900(b)(9) is added; and
- The definition of "accredited investor" is updated to cite to the correct federal citation of 17 C.F.R. 230.501(a).

The official regulations will be published in April 2015, and will be available online at <http://www.legis.state.ak.us/basis/aac.asp>.

3 AAC 08.065(a) is amended to read:

(a) This section applies exclusively to broker-dealer services conducted by broker-dealers on the premises of a financial institution where retail deposits are taken. This section does not apply to broker-dealer services provided to non-retail customers, such as institutional investors within the meaning of AS 45.55.990(7)(D)(i)-(iii) [AS

45.55.990(3)(D)(i)-(iii)].

(Eff. 4/19/2000, Register 154; am 3/4/2015, Register 213)

Authority: AS 45.55.025 AS 45.55.060 AS 45.55.950

3 AAC 08.900(c)(3) is amended to read:

(3) sales literature, advertisements, or market letters prepared in conformity with the applicable regulations and in compliance with the filing requirements of the SEC, FINRA [NASD], or a national securities exchange, and not found by that agency or organization to be out of compliance with those regulations and requirements;

(Eff. 2/20/72, Register 41; am 4/19/2000, Register 154; am 6/8/2001, Register 158; am 3/4/2015, Register 213)

Authority: AS 45.55.150 AS 45.55.170 AS 45.55.950

3 AAC 08.910(1)(A) is amended to read:

Publisher: Existing introductory language of 3 AAC 08.910(1) is unchanged.

~~(1) manual exemptions~~

(A) for the purpose of the "manual exemption" under [AS

45.55.900(b)(17), the following publications that contain information prescribed at [AS

45.55.900(b)(17) are "nationally recognized securities manuals":

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(i) Standard and Poor's Standard Corporation Descriptions;

(ii) Mergent's Industrial Manual;

(iii) Mergent's Bank and Finance Manual;

(iv) Mergent's Public Utility Manual;

(v) Mergent's Municipal and Governmental Manual;

(vi) Mergent's Transportation Manual;

(vii) Mergent's OTC Industrial Manual;

(viii) Mergent's OTC Unlisted Manual; and

(ix) Mergent's International Manual;

- (i) STANDARD & POOR'S;
- (ii) MOODY'S INVESTORS SERVICE, INC.;
- (iii) FINANCIAL COMMUNICATIONS COMPANY, INC.,

WHICH WERE FORMERLY KNOWN AS "MOODY'S MANUALS";

(iv) FITCH INVESTORS SERVICE, LP;

transpose

3 AAC 08.910(3)(A) is repealed:

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(A) Repealed 3/4/2015

3 AAC 08.910(5) is repealed:

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(5) Repealed 3/4/2015

3 AAC 08.910(6) is amended to read:

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(6) an application for exemption under AS 45.55.900(b)(7), when commission or other remuneration other than a stand by commission is paid, shall be filed with the

[AS 45.55.900(b)(7)(B)]

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Register 213, April 2015

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administrator on State of Alaska Form 08-109 along with the fees as required by 3 AAC 08.920(a)(6); the application must be in the administrator's possession five full business days before the proposed transaction, unless the administrator waives the five-day time requirement;

3 AAC 08.910(9) is amended to read:

take once more (9) an application for exemption under AS 45.55.900(b)(19) shall be filed with the administrator on State of Alaska Form 08-111 along with the fees as required by 3 AAC 08.920(a)(6), and must be in the administrator's possession at least ten [TWO] business days before the offer is made, unless the administrator waives the ten [TWO] 10-day time requirement;

paragraph

3 AAC 08.910 is amended by adding a new subsection to read:

take once more (14) in For purposes of AS 45.55.900(b)(9), a controlling person means a person who owns or controls more than 50 percent of the outstanding shares of the securities of a person.

(Eff. 2/20/72, Register 41; am 3/24/76, Register 57; am 2/9/78, Register 65; am 11/18/90, Register 116; am 9/8/91, Register 119; am 10/1/99, Register 151; am 6/8/2001, Register 158; am 3/4/2015, Register 213)

Authority: AS 45.55.900 AS 45.55.950

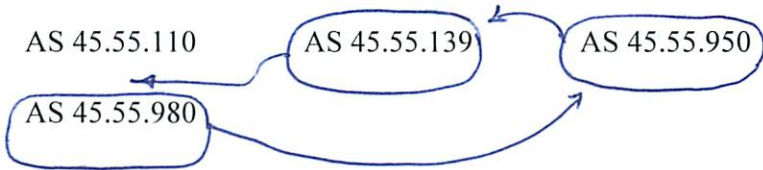
3 AAC 08.920(a)(1)(B) is amended to read:

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(B) all forms and documents shall be in electronic medium or printed, [LITHOGRAPHED, MIMEOGRAPHED,] typewritten, or prepared by a similar process which, in the opinion of the administrator, produces copies suitable for a permanent record and shall be clear, easily readable, and suitable for repeated copying; exhibits may be attached to additional sheets or filed in separate envelopes, properly marked or identified;

(Eff. 2/20/72, Register 41; am 10/1/99, Register 151; am 4/19/2000, Register 154; am 4/20/2000, Register 154; am 1/4/2013, Register 205; am 3/4/2015, Register 213)

Authority: AS 45.55.110



3 AAC 08.950(33) is amended to read:

tab once more (33) "accredited investor" has the meaning given in 17 C.F.R. 230.501(a), as revised as of October 1, 2013 [17 C.F.R. 230.501(C), AS REVISED AS OF OCTOBER 1, 1999] and adopted by reference;

paragraph

3 AAC 08.950 is amended by adding a new subsection to read:

tab once more (4) "FINRA" means the Financial Industry Regulatory Authority, formerly NASD.

(Eff. 2/20/72, Register 41; am 10/1/99, Register 151; am 4/19/2000, Register 154; am 4/20/2000, Register 154; am 12/7/2006, Register 180; am 3/4/2015, Register 213)

Authority: AS 45.55.950 AS 45.55.990