Commercial Transactions; securities regulations

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Commercial Transactions

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NEV. REV. STAT. §§ 90.310, 90.350, 90.520, 90.530, 90.580, 90.650, 90.710, 207.260 (amended); § 90.810 (repealed).

AB 6 (Sader); 1989 STAT. Ch. 58
(Effective April 10, 1989)

Existing law exempts some broker-dealers¹ from securities licensing requirements.² Under prior law, broker-dealers registered in another state were exempt unless they conducted more than fifteen in-state securities transactions in a year.³ Under Chapter 58, these broker-dealers are exempt if they conduct in-state securities transactions with no more than five persons in a year, regardless of the total number of transactions.⁴

Existing law requires certain securities to be registered.⁵ Chapter 58 exempts from this requirement securities that are payable from the revenue of nongovernmental industrial or commercial enterprises when the payments are insured or guaranteed by the United States or other exempt entities⁶ or by a person ranked in one of the top four categories of Moody’s Investor Service, Inc. or Standard and Poor’s Corporation.⁷

Prior law required that a notice of intent to sell securities be filed

5. NEV. REV. STAT. § 90.520 (1987) (amended by 1989 Nev. Stat. ch. 58, sec. 4, at 152). See id. §§ 90.460 (1987) (making the offer or sale of unregistered securities unlawful); 90.560 (1987) (authorizing the securities administrator to order the submission of literature advertising or promoting the sale of securities for examination).
6. 1989 Nev. Stat. ch. 58, sec. 4, at 152 (amending NEV. REV. STAT. § 90.520). Chapter 58 exempts securities insured or guaranteed by: (1) instrumentalities of the United States; (2) international organizations joined by the United States; (3) states and their local subdivisions; (4) Canada or any other foreign country; (5) depository institutions insured by an appropriate federal agency; (6) insurance companies permitted to do business in Nevada; (7) railroads, common carriers, public utilities, or holding companies regulated by the Interstate Commerce Commission or other federal authority; and (8) issuers of securities listed on the New York, American, Midwest, Pacific or other specified exchange. Id.
7. Id. The ranking must have been achieved within 12 months prior to the date the security is issued. Id.
before specified exemptions could be claimed. Chapter 58 eliminates this notice requirement. Under Chapter 58, however, certain of these exemptions cannot be claimed unless a notice of claim of exemption is filed.

Chapter 58 exempts non-issuer transactions from regulation if the financial condition of the issuer over the last two years is reported in a nationally recognized securities manual. Finally, Chapter 58 makes securities, commodities, and insurance fraud crimes "related to racketeering."