

SECURITIES AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael K. McKell

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the Utah Uniform Securities Act **H→ [regarding] . ←H**

Highlighted Provisions:

This bill:

- ▶ amends definitions;
- ▶ prohibits a person from holding oneself out as or representing that the person is an investment adviser or an investment adviser representative unless the person is licensed, exempt from licensing, or a federal covered adviser;
- ▶ amends determining factors for fines imposed under the Utah Uniform Securities Act; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 61-1-3**, as last amended by Laws of Utah 2016, Chapter 401
- 61-1-13**, as last amended by Laws of Utah 2016, Chapter 381
- 61-1-15.5**, as last amended by Laws of Utah 2016, Chapter 25

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90 than those specified in Subsection (3)(b), who are residents of this state.

91 (4) It is unlawful for a person to hold ~~H→~~ [the person] oneself ~~←H~~ out as a provider of
 91a investment advice

92 or as a provider of investment advisory services or otherwise represent that the person is a
 93 financial planner, financial adviser, financial consultant, or holds any other similar title as the
 94 division may specify in rule made in accordance with Title 63G, Chapter 3, Utah
 95 Administrative Rulemaking Act, in any way as to imply that the person is generally engaged in
 96 an investment advisory business, unless:

97 (a) the person is a federal covered adviser; ~~H→~~ [or] ~~←H~~

98 (b) it is lawful for the person to transact business in this state as an investment adviser
 99 or as an investment adviser representative under Subsection (3) ~~H→~~ [;] ; or

99a (c) the person:

99b (i) is not an investment adviser or an investment adviser representative; and

99c (ii) is otherwise licensed under this chapter to transact business in the state. ~~←H~~

100 ~~[(4)]~~ (5) (a) It is unlawful for:

101 (i) a person required to be licensed as an investment adviser under this chapter to
 102 employ an investment adviser representative unless the investment adviser representative is
 103 licensed under this chapter, except that the license of an investment adviser representative is
 104 not effective during any period when the person is not employed by an investment adviser
 105 licensed under this chapter;

106 (ii) a federal covered adviser to employ, supervise, or associate with an investment
 107 adviser representative having a place of business located in this state, unless the investment
 108 adviser representative is:

109 (A) licensed under this chapter; or

110 (B) exempt from licensing; or

111 (iii) an investment adviser, directly or indirectly, to employ or associate with an
 112 individual to engage in an activity related to providing investment advice in this state if:

113 (A) (I) the license of the individual is suspended or revoked; or

114 (II) the individual is barred from employment or association with a state or federal
 115 covered investment adviser, broker-dealer, or issuer; and

116 (B) the suspension, revocation, or bar is by an order:

117 (I) under this chapter;

118 (II) of the Securities and Exchange Commission;

119 (III) a self-regulatory organization; or

120 (IV) a securities administrator of a state other than Utah.