

§16402. Agent licensing requirement and exemptions

1. Licensing requirement. It is unlawful for an individual to transact business in this State as an agent unless the individual is licensed under this chapter as an agent or is exempt from licensing as an agent under subsection 2.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

2. Exemptions from licensing. The following individuals are exempt from the licensing requirement of subsection 1:

A. An individual who represents a broker-dealer in effecting transactions in this State limited to those described in Section 15(h)(2) of the federal Securities Exchange Act of 1934, 15 United States Code, Section 78o(h)(2); [PL 2023, c. 503, §3 (AMD).]

B. An individual who represents a broker-dealer that is exempt under section 16401, subsection 2 or 4; [PL 2005, c. 65, Pt. A, §2 (NEW).]

C. An individual who represents an issuer with respect to an offer or sale of the issuer's own securities or those of the issuer's parent or any of the issuer's subsidiaries and who is not compensated in connection with the individual's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities; [PL 2005, c. 65, Pt. A, §2 (NEW).]

D. An individual who is a bona fide officer, director, partner or member of the issuer, or an individual occupying a similar status or performing similar functions, or a bona fide employee of the issuer who represents an issuer and who effects transactions in the issuer's securities exempted by section 16202, other than section 16202, subsections 11, 25 and 26; [PL 2005, c. 65, Pt. A, §2 (NEW).]

E. An individual who represents an issuer that effects transactions solely in federal covered securities of the issuer, but an individual who effects transactions in a federal covered security under Section 18(b)(3) or 18(b)(4)(D) of the federal Securities Act of 1933, 15 United States Code, Section 77r(b)(3) or 77r(b)(4)(D) is not exempt if the individual is compensated in connection with the agent's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities; [PL 2005, c. 65, Pt. A, §2 (NEW).]

F. An individual who represents a broker-dealer licensed in this State under section 16401, subsection 1 or exempt from licensing under section 16401, subsection 2 in the offer and sale of securities for an account of a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; [PL 2005, c. 65, Pt. A, §2 (NEW).]

G. An individual who represents an issuer in connection with the purchase of the issuer's own securities; [PL 2005, c. 65, Pt. A, §2 (NEW).]

H. An individual who represents an issuer and who restricts participation to performing clerical or ministerial acts; or [PL 2005, c. 65, Pt. A, §2 (NEW).]

I. Any other individual exempted by rule adopted or order issued under this chapter. [PL 2005, c. 65, Pt. A, §2 (NEW).]

[PL 2023, c. 503, §3 (AMD).]

3. License effective only while employed or associated. The license of an agent is effective only while the agent is employed by or associated with a broker-dealer licensed under this chapter or an issuer that is offering, selling or purchasing its securities in this State and is effective only with respect to transactions effected as an employee or otherwise on behalf of said broker-dealer or issuer.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

4. Limit on employment or association. It is unlawful for a broker-dealer, or an issuer engaged in offering, selling or purchasing securities in this State, to employ or associate with an agent who transacts business in this State on behalf of broker-dealers or issuers unless the agent is licensed under subsection 1 or exempt from licensing under subsection 2.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

5. Limit on affiliations. An individual may not act as an agent for more than one broker-dealer or one issuer at a time, unless the broker-dealers and the issuers for which the agent acts are affiliated by direct or indirect common control or are authorized by rule or order under this chapter.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

6. Rulemaking. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2005, c. 65, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 2005, c. 65, §A2 (NEW). PL 2023, c. 503, §3 (AMD).

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