

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE

The meeting was called to order by SENATOR RICHARD L. BOND at _____
Chairperson

9:00 a.m./~~XXX~~^{p.m.} on WEDNESDAY, APRIL 3, 1991 in room 529-s of the Capitol.

~~All~~ members ~~were~~ present ~~except~~ ~~XXXX~~ ~~XXXXXX~~

Senators Francisco, Kerr, McClure, Moran, Parrish, Reilly, Strick and Yost.

Committee staff present:

- Bill Wolff, Research Department
- Fred Carman, Revisors Office
- Louise Bobo, Secretary

Conferees appearing before the committee:

- Jonathan Small, Investment Company Institute
- Jim Parrish, Kansas Securities Commissioner

Chairman Bond called the meeting to order at 9:18 a.m.

The Chairman announced that the subcommittee on HB 2138 and HB 2126 was still deliberating on these bills; therefore, we will have a meeting either Friday or Monday to consider these bills.

HB 2463 - Increasing fee for an application or filing for any exemption from securities registration.

Jonathan Small, Investment Company Institute, appeared before the committee in support of the abovementioned bill. Mr. Small explained that this bill would allow the Securities Commissioner more flexibility in setting the charges for applications or filings made in connection with any exemption from securities regulation. He added that this would facilitate a simplified registration and filing process yet not diminish the agency's regulatory powers. (Attachment 1)

During a brief discussion, Mr. Small was asked why his client was supporting this bill. He answered that their big saving would be in time and not money--that they would be paying the same but doing much less paper work.

Jim Parrish, Securities Commissioner, spoke before the committee in support of this bill. Commissioner Parrish explained that they would save a great deal of paper work by not requiring blue chip funds to register. Currently, they receive and file the information they receive from these blue chip companies but they really have no use for it. According to Commissioner Parrish, they would still have the authority to regulate them. Responding to further questioning by committee members, Commissioner Parrish said that they regulate these companies by examining their selling practices and having an audit if there is a complaint. In responding to a question concerning exemption, Staff stated that exemption was just an exemption from registration and that the Securities Commissioner still has full authority for enforcement and the fee that is charged covers the cost of this enforcement.

There being no further conferees, Chairman Bond announced the hearing closed.

Senator Kerr made a motion to recommend HB 2463 favorable for passage. Senator Strick seconded the motion. The motion carried.

Senator Strick made a motion to accept the minutes of Monday, April 1, and Tuesday, April 2, as written. Senator McClure seconded the motion. The motion carried.

The meeting adjourned at 9:40 a.m.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

JONATHAN P. SMALL, CHARTERED

Attorney and Counselor at Law
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400 West Eighth Street
Topeka, Kansas 66603
913/234-3686

TESTIMONY OF JONATHAN P. SMALL
REPRESENTING INVESTMENT COMPANY INSTITUTE
PROPONENT
1991 HB 2463

My name is Jonathan P. Small. I represent the Investment Company Institute (ICI). ICI is headquartered in Washington, D.C. and is a national organization which represents 3,151 open-end investment companies (mutual funds) and over 200 closed-end companies (unit trusts). It is a national industry organization that is very active across the country concerning issues involving mutual funds and unit trusts.

We support HB 2463. It is an amendment to the statute which enables the Kansas Securities Commissioner to exercise the statutory flexibility of K.S.A. 17-1259.

The change proposed seeks to adjust the permissible fee which the Commissioner is authorized to charge for applications or filings made in connection with any exemption from securities regulation.

The change elevates the permissible charge to a ceiling which is consistent with the amount otherwise requested as the ceiling provided in K.S.A. 17-1259(b)(1).

Simply stated, the proposed change will enhance the Commissioner's rule-making flexibility with respect to exempt applications or filings.

It is a common sense amendment which in our judgment will pave the way to provide in our particular case a potential means to facilitate a simplified registration and filing process which will not degrade the agency's regulatory capabilities concerning the types of securities interests we represent.

Your favorable consideration is very much appreciated.

Respectfully submitted,


Jonathan P. Small
Attorney/Lobbyist

ZS0304T1

Attachment 1
7I & I
4/3/91

RGD005S

REGISTRATION MAINTENANCE

3/21/91

MODE: CHANGE

Security

14:40:21

File Number: 81S0125034

Issuer Name: SECURITY CASH FUND

Address: SECURITY BENEFIT LIFE BUILDING
700 HARRISON ST.

City, ST Zip: TOPEKA KS 66636

Correspondant: CONNIE L. BRUNGARDT

Address: SECURITY CASH FUND
P. O. BOX 2577

City, ST Zip: TOPEKA KS 66601

Phone: 913/295-3271

Filing Type: C

Security Type: M Description: CM. STOCK Auditor: SS

Order Date: 10/27/80 Renewal Date: 7/01/90 Status: EFF

YTD Reg Fee: \$1500.00 Date Rec'd: 10/20/80 Term Date:

Other Fees: \$600 Storage Box Date:

Secondary Trading Exemption: N (Y/N) Aggregate Amount: \$60000000

F3=Exit F5=Agents F7=Cash History F8=Notes F12=Return

12

CRD003K
Inquiry

REGISTRATION MAINTENANCE
Cash Receipts

3/21/91
14:39:42

File Number: 81S0125034
SECURITY CASH FUND

ash ode	Receipt Date	Amount	Agg. Amount	Amend Number	Batch	Deposit Date	Check Number
06	12/27/90	25.00 <i>N/A</i>			659	12/28/90	053091
22	8/07/90	100.00	10000000	91-5	630	8/10/90	052683
22	8/07/90	100.00	10000000	91-4	630	8/10/90	052683
22	8/07/90	100.00	10000000	91-3	630	8/10/90	052683
22	8/07/90	100.00	10000000	91-2	630	8/10/90	052683
22	8/07/90	100.00	10000000	91-1	630	8/10/90	052683
20	7/01/90	100.00	0		8	7/01/90	000000
21	7/01/90	1500.00	10000000		8	7/01/90	000000
<i>TOTALS</i>		<i>\$ 2,100.00</i>	<i>\$ 60,000,000</i>				

FEE PERCENT

.0035%

\$.035 / \$1,000

F3=Exit

F12=Return