

SESSION OF 2010

**SUPPLEMENTAL NOTE ON  
HOUSE SUBSTITUTE FOR SENATE BILL NO. 458**

As Recommended by House Committee on  
Corrections and Juvenile Justice

**Brief\***

House Sub. for SB 458 would amend the Kansas Uniform Securities Act to:

- Make an intentional securities violation pursuant to KSA 17-12a501 (securities fraud) or 17-12a502 (investment adviser fraud) a felony, as follows:
  - Loss of less than \$25,000 is a severity level 6, nonperson felony;
  - Loss of at least \$25,000 but less than \$100,000 is a severity level 5, nonperson felony;
  - Loss of at least \$100,000 but less than \$250,000 is a severity level 4, nonperson felony;
  - Loss of at least \$250,000 but less than \$1,000,000 is a severity level 3, nonperson felony; and
  - Loss of \$1,000,000 or more is a severity level 2, nonperson felony.
  
- Delete some registration violations from the penalty provision which would have required a conviction of such crimes to be based upon the amount of loss;

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Make the following crimes or violation of a cease and desist order issued by an administrator a severity level 5, nonperson felony:
  - Conducting business as an investment advisor representative when the person's registration is revoked, suspended, or barred; or
  - Making or coercing a person to make a false or misleading filing under the Act or obstruct the investigation by the Administrator;
  
- Make the following crimes a severity level 6, nonperson felony:
  - A broker-dealer employing or associating with a person whose registration is revoked, suspended, or barred;
  - An investment advisor employing or associating with a person whose registration is revoked, suspended, or barred; or
  - Misrepresentations concerning registration or exemption;
  
- Make the following crimes a severity level 7, nonperson felony:
  - A broker-dealer employing or associating with an agent who is not registered under the Act or exempt from registration; or
  - An investment advisor employing or associating with an individual who is required to be registered under this Act as an investment adviser representative and who is not registered or exempt from registration;

- Require violations of certain provisions of the Kansas Uniform Securities Act resulting in a loss of \$25,000 or more would be presumed imprisonment; and
- Delete some violations of the Kansas Uniform Securities Act from the provision requiring presumptive imprisonment.

### **Background**

SB 458, as introduced, would have authorized district and municipal courts, in any hearing or trial with a forensic examination report, to use two-way interactive video technology to take testimony by either the prosecution or defense. These provisions were inserted into SB 386 by the House Committee on Corrections and Juvenile Justice.

The House Committee on Corrections and Juvenile Justice inserted modified provisions regarding securities crimes from 2010 HB 2518 (the proportionality bill) and 2010 House Sub. for SB 345 into SB 458 (now House Sub. for SB 458). The provisions of House Sub. for SB 458 are supported by the Office of the Securities Commissioner.

The fiscal note on the bill, as introduced, is not applicable.