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HOUSE JOINT RESOLUTION NO. 150

Offered January 26, 1998

Requesting the Division of Securities of the Virginia State Corporation Commission to study licensing requirements in the Virginia securities industry.

Patrons—Purkey and Cantor

Referred to Committee on Corporations, Insurance and Banking

WHEREAS, Virginia's securities industry, comprising broker-dealers, investment advisors, investment advisor representatives, and agents is responsible for a multi-billion-dollar industry integral to continued financial growth and stability within the Commonwealth; and

WHEREAS, changes in the composition of the nation's financial markets and the state and federal regulatory schemes governing them are occurring at an accelerating pace; and

WHEREAS, such changes include new entrants in the securities industry, and the acquisition of securities firms by regional banking firms; and

WHEREAS, the regulation of individuals involved in the day-to-day operations of this important industry takes on critical importance at this time; and

WHEREAS, the regulators of Virginia's securities industry should examine the current statutory and regulatory scheme governing Virginia's securities industry to ensure that it adequately provides for current developments as well as for the future of this critical sector in Virginia's economy, now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Division of Securities of the Virginia State Corporation Commission is requested to examine the current licensing and registration requirements applicable to participants in the securities industry to ensure that all individuals rendering securities-related services and advice are adequately trained, supervised, and licensed so as to provide sufficient assurance to the citizens of the Commonwealth that their funds, and often, their life savings, are entrusted to individuals best prepared to render timely and knowledgeable investment advice; and, be it

RESOLVED FURTHER, That the Division of Securities of the Virginia State Corporation Commission is requested to determine whether all individuals rendering investment advice (i) pertaining to financial investments covered by securities licenses series 6, 7, 8, 63, and 65, or (ii) pertaining to financial investments concerning insurance, annuities, or estate planning, regardless of such individuals' employment by a financial institution, advisory service, certified public accounting firm, law firm, or any other entity, should be required to pass requisite examinations and maintain licenses currently required by this Commonwealth and by the federal Securities and Exchange Commission for the buying and selling of securities, for securities custodial functions, and for securities-related advisory functions, based upon the financial services they perform; and, be it

RESOLVED FINALLY, That the Division of Securities of the Virginia State Corporation Commission is also requested to determine whether Virginia's securities laws should be amended to permit persons (i) over the age of 50 or who have otherwise reached a self-determined retirement age, and (ii) who are currently licensed within the securities industry as broker-dealers, investment advisors, investment advisor representatives, and agents to retain their licenses, without impairment, restriction, or cancellation in the event they change employments, are furloughed, or have their employments terminated where no legal violation occurred, whether by merger, acquisition or otherwise.

The Division is also requested to assist in determining whether it should be the policy of the Commonwealth (i) to prohibit the withholding from such individuals of accrued benefits, profit sharing funds, bonus programs, stock options, and (ii) to allow such individuals sufficient time and opportunity to transfer their various licenses intact so as not to adversely affect any benefits, bonus plans, deferred profit sharing plans, or stock bonus plans which mature on a year-to-year basis.

All agencies of the Commonwealth shall provide assistance to the Division of Securities for this study, upon request.

The Division of Securities shall complete its work in time to submit its findings and recommendations to the Governor and the 1999 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

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