

Date of Hearing: April 1, 2019

ASSEMBLY COMMITTEE ON BANKING AND FINANCE

Monique Limón, Chair

AB 913 (Limón) – As Introduced February 20, 2019

**SUBJECT:** Broker-dealers: exemptions: finders: filings

**SUMMARY:** Changes the required timing of the supplemental filing for finders under the California Corporations Code from annually upon the anniversary of the initial statement of information, to on or before December 31 following the anniversary of the initial filing.

**EXISTING LAW:** AB 667 (Wagner), Chapter 743, Statutes of 2015 established a separate regulatory structure for finders to be administered by the Department of Business Oversight (DBO). Individual finders that meet the statutory definition of a finder may seek an exemption to this filing under certain conditions.

Corporate Securities Law authorizes DBO to license and regulate broker-dealers, broker-dealer agents, investment advisers, investment adviser representatives, exempt reporting advisers, and capital access companies. In addition, certain investment advisers registered with the Securities and Exchange Commission investment advisers notice file with the DBO

**FISCAL EFFECT:** Unknown

**COMMENTS:** Finders must submit a renewal statement within 30 days of the finder's anniversary of its initial registration to the DBO. Finders are individuals that bring potential investors and issuers of securities together. In order to ensure continuity of data collected, DBO monitors the finder's renewal cycle making sure information is received in a timely manner. Because a finder's renewal cycle is based on the date of initial registration, most finders have different dates of compliance. This requires DBO to expend resources throughout the year collecting finder data. Within DBO's Broker-Dealer and Investment Adviser (BDIA) unit that oversees this effort, only finders have this annual anniversary reporting requirement. All other licensees within the BDIA program renew their registration on or before December 31<sup>st</sup> of each calendar year.

This bill will align the supplemental filing requirement for finders to match that of the other licensees within the BDIA. This bill would eliminate year-round monitoring of the finders' renewals and would improve efficiency and promote uniformity.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file

**Opposition**

None on file

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