

**CHAPTER 578**

**S.B. No. 289**

An Act relating to denial, revocation, or suspension of a registration as a securities dealer, agent, or salesman and to the probation or reprimand of such a person; amending Subsection A, Section 14, The Securities Act (Article 581-14, Vernon's Texas Civil Statutes).

*Be it enacted by the Legislature of the State of Texas:*

**SECTION 1.** Subsection A, Section 14, The Securities Act (Article 581-14, Vernon's Texas Civil Statutes), is amended to read as follows:

"A. The Commissioner *may* [~~shall~~] deny, revoke, or suspend a registration, place on probation a dealer, agent, or salesman whose registration has been suspended, or reprimand a person registered under this Act if the person:

“(1) has been convicted of a felony, or of any misdemeanor of which fraud is an essential element;

“(2) has engaged in any inequitable practice in the sale of securities or in any fraudulent business practice;

“(3) in the case of a dealer, is insolvent;

“(4) in the case of a dealer, is selling or has sold securities in this state through a salesman other than a registered salesman, or, in the case of a salesman, is selling or has sold securities in this state for a dealer, issuer or controlling person with knowledge that such dealer, issuer or controlling person has not complied with the provisions of this Act;

“(5) has violated any of the provisions of this Act or a rule of the Board;

“(6) has made any material misrepresentation to the Commissioner or Board in connection with any information deemed necessary by the Commissioner or Board to determine a dealer's financial responsibility or a dealer's or salesman's business repute or qualifications, or has refused to furnish any such information requested by the Commissioner or Board; or

“(7) has not complied with a condition imposed by the Commissioner under Section 13-D. Provided, however, that this subdivision shall not apply to any person or company registered as a dealer or salesman on August 23, 1963.”

**SECTION 2.** This Act applies to a determination made under Section 14, The Securities Act (Article 581-14, Vernon's Texas Civil Statutes), on or after the effective date of this Act. A determination made before the effective date of this Act is governed by the law in effect when the determination was made, and that law is continued in effect for that purpose.

**SECTION 3.** The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on February 20, 1985, by the following vote: Yeas 29, Nays 2;  
passed the House on May 22, 1985, by the following vote: Yeas 135, Nays 0, seven present not voting.

Approved: June 12, 1985

Effective: Immediately