

## LEGISLATIVE BILL 27

Approved by the Governor February 2, 1987

Introduced by Marsh, 29, Vice-Chairperson, Exec. Board

AN ACT relating to securities; to amend section 8-1109, Reissue Revised Statutes of Nebraska, 1943; to correct an internal reference; and to repeal the original section.  
Be it enacted by the people of the State of Nebraska,

Section 1. That section 8-1109, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-1109. The director may issue a stop order denying effectiveness to, or suspending or revoking the effectiveness of, a registration statement to register securities by notification or coordination if he or she finds that the order is in the public interest and that:

(1) Any such registration statement registering securities, as of its effective date or as of any earlier date in the case of an order denying effectiveness, is incomplete in any material respect or contains any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact;

(2) Any provision of ~~sections 8-1101 to 8-1124~~ the Securities Act of Nebraska or any rule, order, or condition lawfully imposed under ~~sections 8-1101 to 8-1124~~ the act has been violated, in connection with the offering by the person filing the registration statement, the issuer, any partner, officer, or director of the issuer, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling or controlled by the issuer, but only if the person filing the registration statement is directly or indirectly controlled by or acting for the issuer; or any underwriter;

(3) The security registered or sought to be registered is the subject of a permanent or temporary injunction of any court of competent jurisdiction entered under any other federal or state act applicable to the offering. The ~~;~~ but ~~the~~ director may not institute a proceeding against an effective registration statement under this subdivision more than one year from the date of the injunction relied on, and he or she may not enter an order under this subdivision on the basis

of an injunction entered under any other state act unless the injunction was based on facts which would currently constitute a ground for a stop order under this section;

(4) When a security is sought to be registered by notification, it is not eligible for such registration;

(5) When a security is sought to be registered by coordination, there has been a failure to comply with the undertaking required by subdivision (2)(g) (a) of section 8-1106;

(6) The applicant or registrant has failed to pay the proper registration fee. ~~The , but the~~ director may enter only a denial order under this subdivision and he shall vacate any such order when the deficiency has been corrected. The director may not enter an order against an effective registration statement on the basis of a fact or transaction known to him or her when the registration statement became effective;

(7) The authority of the applicant or registrant to do business has been denied or revoked by any other governmental agency;

(8) The issuer's or registrant's literature, circulars, or advertising is misleading, incorrect, incomplete, or calculated to deceive the purchaser or investor;

(9) All or substantially all the enterprise or business of the issuer, promoter, or guarantor has been found to be unlawful by a final order of a court or administrative agency of competent jurisdiction; or

(10) There is a refusal to furnish information required by the director within a reasonable time to be fixed by the director.

Sec. 2. That original section 8-1109, Reissue Revised Statutes of Nebraska, 1943, is repealed.