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BEFORE THE ARIZONA CORPORATION

1 WILLIAM A. MUNDELL
2 Chairman
3 JIM IRVIN
4 Commissioner
5 MARC SPITZER
6 Commissioner

Arizona Corporation Commission

DOCKETED

MAY 01 2002

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6 In the matter of) DOCKET NO. RS-00000A-02-0005
7 PROPOSED RULEMAKING TO AMEND)
8 A.A.C. R14-4-132) DECISION NO. 64788
9) ORDER

10 Open Meeting
11 April 25, 2002
12 Phoenix, AZ

13 BY THE COMMISSION:

14 INTRODUCTION

15 The Securities Division (the "Division") of the Arizona Corporation Commission (the
16 "Commission") has forwarded to the Commission a proposal recommending that the Commission
17 amend A.A.C. R14-4-132 ("rule 132") of the Arizona Administrative Code governing the
18 administration of the securities statutes.
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20 FINDINGS

- 21 1. Rule 132 requires that registered dealers make, maintain, and preserve books and
22 records in compliance with certain specified United States Securities and Exchange Commission
23 ("SEC") rules as those rules existed in 1991, including 17 CFR 240.17a-3 and 17 CFR 240.17a-4.
24 2. Section 15(h)(1) of the federal Securities Exchange Act of 1934 (15 U.S.C.
25 § 78o(h)(1)), adopted in 1996, provides that
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No law, rule, regulation, or order, or other administrative action of any State or political subdivision thereof shall establish . . . making and keeping records . . . requirements for . . . dealers . . . that differ from, or are in addition to, the requirements in those areas established under this title.

3. The SEC has amended 17 CFR 240.17a-3 and 17 CFR 240.17a-4; the amendments will be effective May 2, 2003.

4. The Division has proposed that the Commission amend rule 132 to reflect the federal law mandate that state books and records requirements do not differ from those promulgated under the federal Securities Exchange Act of 1934 and to reflect the SEC amendments.

5. The Division has recommended that a notice of the proposed rulemaking regarding rule 132 be forwarded to the secretary of state for publication.

6. The Commission finds that the Division's proposal has merit and that the proposed amendment to rule 132 should be published.

CONCLUSION OF LAW

The Commission has the authority for the proposed rulemaking under the Arizona Constitution Article XV § 4, and under A.R.S. § 44-1821.

ORDER

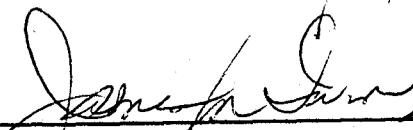
THEREFORE IT IS ORDERED that the Division prepare a notice of the proposed rulemaking and forward it to the office of the secretary of state for publication in the Arizona Administrative Register.

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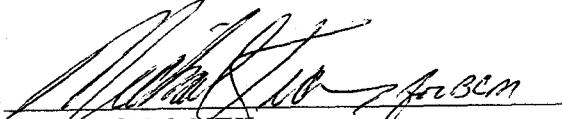
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IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

		
CHAIRMAN	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 1st day of May, 2002.


 BRIAN C. McNEIL
 Executive Secretary

DISSENT
(ctf)

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