

Committee on Banking and Insurance

CS/CS/SB 286 — Merger and Acquisition Brokers

by Fiscal Policy Committee; Banking and Insurance Committee; and Senator Brandes

The bill creates an exemption from registration with the Office of Financial Regulation (OFR) for a merger and acquisition (M&A) broker facilitating the offer or sale of securities in connection with the transfer of ownership of an eligible privately held company. Generally, an M&A broker, acting as an intermediary, engages in the business of transferring the ownership and control of a privately-held company through the sale of the business, which may be structured as an asset or securities transaction. The bill also provides an exemption for the securities transactions that are conducted through an M&A broker if certain conditions are met. Failure to meet the requirements of statutory exemptions can subject entities to civil, criminal, and administrative liability for the sale of unregistered securities.

If approved by the Governor, these provisions take effect July 1, 2016.

Vote: Senate 40-0; House 117-0