



# House Bill 2274 – Securities Regulation

Presenters:

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Department of Consumer  
and Business Services



# Background

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- The primary focus of the Oregon Securities Law, ORS Chapter 59, is investor protection. The Law has three key mechanisms for protecting investors from harm:
  - A security must be registered with the director of DCBS before it is offered or sold in Oregon, subject to certain statutory conditions
  - A person offering investment advice or selling securities must be licensed by the director as an investment advisor, investment advisor representative, broker-dealer or salesperson, unless an exemption or exclusion applies
  - A person may not directly or indirectly make any false or misleading statements in connection with the sale or purchase of Oregon securities



# Policy

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- SB 2274A advances the following policy changes to ORS Chapter 59:
  - Confidentiality of investigations
  - Restitution authority
  - Director's inquiry
  - Enhanced civil penalties for harm to vulnerable populations



# Policy

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- SB 2274A advances the following policy changes to ORS Chapter 59:
  - Confidentiality of investigations – Currently, securities investigations are not confidential and may be disclosed through public records requests
    - A party under active investigation for securities violations could ask for their investigatory file
    - Confidentiality of investigations is standard for many securities regulators in other states, and should be extended to the Oregon securities statutes
  - Restitution authority – Giving DCBS the authority to order that restitution be paid to an investor injured by a securities law violation



# Policy

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- Provisions continued:
  - Director's inquiry – Requiring persons subject to the securities laws to respond to the department's investigatory authority promptly and truthfully
  - Enhanced civil penalties for harm to vulnerable populations



# Questions?

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## Contact information

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