Date of Hearing: April 10, 2019

## ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 913 (Limón) – As Introduced February 20, 2019

Policy Committee: Banking and Finance Vote: 12 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

## **SUMMARY**:

This bill changes the filing deadline for when finders must submit a supplemental filing to the Department of Business Oversight. This new deadline is changed from 30 days following the anniversary of a finder's initial statement of information (SOI) to no later than December 31 of each year following the SOI.

## FISCAL EFFECT:

Significant savings to the Department of Business Oversight (DBO).

## **COMMENTS:**

**Background and purpose**. The term "finder" historically referred to an unlicensed individual who introduces an accredited investor to an issuer (an entity that sells securities) in exchange for compensation. Because the finder's only role was to make those introductions, they were not subject to regulations and requirements for broker-dealers. AB 667 (Wagner), Chapter 743, Statues of 2015, created a registration program and rules for finders operating in California. As part of this registration program, finders must submit an initial SOI with DBO and pay a filing fee of \$300. Finders must also file a renewal statement each year within 30 days of the anniversary of the finder's initial SOI.

According to the author, AB 913 will improve administrative efficiency by simplifying filing requirements for finders. The current rules – which require finders to renew with DBO on a timeline that is based on their initial SOI – require DBO to constantly monitor finders' renewals. This new process will align the renewal process with other filing and renewal requirements for other programs administered by DBO.

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