

STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION

IN RE:)	
Interpretive Request Regarding)	INTERPRETIVE
N.H. Rev. Stat. Ann. 421-B:3-a)	ORDER
)	
)	INT15-001
)	

WHEREAS, the New Hampshire Bureau of Securities Regulation is charged with the administration of N.H Rev. Stat. Ann. 421-B, the New Hampshire Uniform Securities Act (“the Act”);

WHEREAS, Section 21 of the Act delegates to the Secretary of State the administration of the Act;

WHEREAS, Section 21 of the Act grants all powers specifically granted or reasonably implied in order to perform the substantive responsibilities imposed;

WHEREAS, Section 28 of the Act grants the Secretary of State the authority to issue, amend, or rescind such orders as are reasonably necessary to carry out provisions of this chapter;

WHEREAS, the staff of the Bureau of Securities Regulation has received a request for an interpretive order explaining whether: (1) a cause of action under section 3-a of the act is predicated on fraud and (2) a broker dealer or individual who violates the Act has been found to have engaged in fraud;

WHEREAS, Section 3-a of the Act imposes certain requirements upon broker-dealers and other enumerated individuals that they must follow before recommending securities to a customer or executing transactions;

WHEREAS, the Bureau recognizes that the heading for Section 3-a is “Fraudulent and Other Prohibited Practices,” which could lead one to believe a violation of this section was predicated on fraud;


WHEREAS, a finding that Section 3-a does not by itself create a cause of action based upon fraud is consistent with the purposes fairly intended by the policy and provisions of the New Hampshire Uniform Securities Act; and

WHEREAS, finding this interpretation necessary and appropriate to the public interest and consistent with the purposes fairly intended by the policy and provisions of the New Hampshire Uniform Securities Act.

THEREFORE, it is hereby Ordered that:

1. Section 3-a of the Act is intended to impose certain requirements upon broker-dealers and other enumerated individuals before they can recommend securities to a customers or execute transactions;
2. Section 3-a does not create a cause of action based upon fraud, nor is a broker-dealer or individual who violated only Section 3-a found to have committed fraud;
3. This interpretation does not imply that activity that is found to violate Section B:3-a may not also result in a finding of fraud through a violation of a separate provision of the act; and
4. This order shall become effective upon execution by the Secretary of State's designee.

WILLIAM GARDNER
SECRETARY OF STATE
By His Designee,


Barry Glennon
Director of Bureau of Securities Regulation

Dated: December 8, 2015