
SENATE BILL 5197

State of Washington

53rd Legislature

1993 Regular Session

By Senators Sutherland and Moore

Read first time . Referred to Committee on .

1 AN ACT Relating to apprenticeship for securities brokers; amending
2 RCW 21.20.060; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that the business
5 ethics and practices of securities brokers can impact the financial
6 viability of clients.

7 The legislature further finds that many professions over the
8 centuries have benefited from the quality control effect provided by
9 the apprenticeship systems, whereby less experienced workers apprentice
10 themselves to those who are more advanced, working in a mentor-
11 apprentice relationship for a set time.

12 The ethical standards and business judgment of brokers studying to
13 become licensed in the state of Washington can be enhanced by the
14 institution of a required one-year apprenticeship with a duly licensed
15 broker as a precondition of licensure.

16 **Sec. 2.** RCW 21.20.060 and 1965 c 17 s 1 are each amended to read
17 as follows:

1 The application shall contain whatever information the director
2 requires concerning such matters as:

3 (1) The applicant's form and place of organization;

4 (2) The applicant's proposed method of doing business;

5 (3) The qualifications and business history of the applicant and in
6 the case of a broker-dealer or investment adviser, any partner,
7 officer, or director;

8 (4) Any injunction or administrative order or conviction of a
9 misdemeanor involving a security or any aspect of the securities
10 business and any conviction of a felony; (~~and~~)

11 (5) The applicant's financial condition and history; and

12 (6) Identifying details of the applicant's one-year apprenticeship
13 with a licensed securities broker.

14 The director of licenses or the duly appointed administrator may by
15 rule require a minimum capital for registered broker-dealers and
16 investment advisers or prescribe a ratio between net capital and
17 aggregate indebtedness by type or classification.

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