
SENATE BILL 6528

State of Washington

55th Legislature

1998 Regular Session

By Senators West and Finkbeiner

Read first time 01/21/98. Referred to Committee on Law & Justice.

1 AN ACT Relating to securities litigation; and adding a new section
2 to chapter 21.20 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 21.20 RCW
5 to read as follows:

6 (1) No private civil action based upon the statutory or common law
7 of this state or any of its political subdivisions may be maintained in
8 any state court by any private party alleging:

9 (a) An untrue statement or omission in connection with the purchase
10 or sale of any covered security; or

11 (b) That the defendant used or employed any manipulative or
12 deceptive device or contrivance in connection with the purchase or sale
13 of any covered security.

14 (2) For purposes of this section, a security is a "covered
15 security" if such security is:

16 (a) Listed, or authorized for listing, on the New York Stock
17 Exchange or the American Stock Exchange, or listed on the National
18 Market System of the NASDAQ Stock Market, or any successor to such
19 entities;

1 (b) Listed, or authorized for listing, on a national securities
2 exchange, or tier or segment thereof, that has listing standards that
3 the federal securities and exchange commission determines by rule, on
4 its own initiative or on the basis of a petition, are substantially
5 similar to the listing standards applicable to securities described in
6 (a) of this subsection; or

7 (c) A security of the same issuer that is equal in seniority or
8 that is a senior security to a security described in (a) or (b) of this
9 subsection.

10 (3) Any action subject to subsection (1) of this section shall be
11 removable to the federal district court for the district in which the
12 action is pending and shall be subject to subsection (1) of this
13 section.

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