

HOUSE BILL ANALYSIS

HB 1354

Title: *Regulating fees charged by broker-dealers.*

Brief Description: *Declares it unlawful for a broker dealer or associated salesperson to charge a periodic fee to a customer if no transactions in securities were effected for that customer in the period for which the fee was charged.*

Sponsors: *Carlson, Benson, Hatfield, D. Schmidt, Bush.*

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Meeting Date: *Thursday, February 4, 1999*

Bill Analysis Prepared by: *Anntonette Alberti (7117)*

Background: *Securities broker-dealers and their associated salespersons are registered by the Department of Financial Institutions.*

A broker-dealer is a person who effects transactions in securities.

A salesperson associated with a broker dealer is a person who represents a broker dealer or issuer of securities in effecting sales of securities.

If a broker-dealer or salesperson violates or willfully fails to comply with the Securities Act of Washington, the Director of the Department of Financial Institutions may deny, suspend, or revoke the broker-dealer's or salesperson's registration. Additionally, the Director may censure, fine, or restrict a broker-dealer or salesperson violates or willfully fails to comply with the Securities Act of Washington.

Summary of Bill: *A broker-dealer or associated salesperson may lawfully charge a customer a periodic fee only if transactions in securities have been effected for the customer in the period for which the fee is being charged.*

Appropriation: *None.*

Fiscal Note: *None requested.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*

Rulemaking Authority: *None granted.*