
SENATE BILL NO. 128—SENATOR PARKS (BY REQUEST)

FEBRUARY 18, 2013

JOINT SPONSOR: ASSEMBLYMAN OHRENSCHALL

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Exempts certain persons from the licensing requirements for broker-dealers. (BDR 7-444)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to real estate; exempting certain persons from the licensing requirements for broker-dealers; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law prohibits a person from engaging in the business of effecting
2 certain transactions in securities in this State as a broker-dealer unless he or she is
3 licensed or exempt from the licensing requirements for broker-dealers. (NRS
4 90.310, 90.320) This bill exempts a person who holds a permit to engage in
5 business as a business broker from the licensing requirements for broker-dealers
6 under certain circumstances.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 90 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. A person who holds a permit to engage in business as a*
4 *business broker pursuant to NRS 645.863 and is involved*
5 *exclusively in the sale of a business, as defined in NRS 645.007, is*
6 *exempt from licensing under NRS 90.310 if:*

7 *(a) In marketing the business, the business broker only*
8 *advertises to potential buyers that the business is for sale;*



1 ***(b) The business broker does not advise the buyer or seller that***
2 ***the transaction be completed through the sale or purchase of a***
3 ***security;***

4 ***(c) The decision to conclude, the sale of the business through***
5 ***the sale or purchase of a security is made by the buyer, the seller***
6 ***or, if applicable, an advisor to the buyer or the seller and not the***
7 ***business broker;***

8 ***(d) After the decision is made to conclude the sale of the***
9 ***business through the sale or purchase of a security, the role of the***
10 ***business broker is limited only to facilitating the exchange of***
11 ***information or documents among the buyer, the seller and, if***
12 ***applicable, any advisor to the buyer or the seller;***

13 ***(e) The business broker does not have the authority to make***
14 ***binding agreements on behalf of any party to the sale or purchase***
15 ***of a security in connection with the transaction;***

16 ***(f) The business broker only assesses the total value of the***
17 ***business to be sold as a going concern and does not assess the***
18 ***value of any security or equity interest to be sold or purchased;***

19 ***(g) The business broker does not assist the buyer in obtaining***
20 ***financing, except that the business broker may introduce, without***
21 ***compensation, the buyer to lending sources that the buyer may***
22 ***consider for the transaction, and the business broker may assist***
23 ***the buyer in completing any documents relating to a loan***
24 ***application;***

25 ***(h) The compensation to be paid to the business broker does***
26 ***not change regardless of the manner in which the sale is***
27 ***concluded, whether the transaction is completed as an asset sale***
28 ***or the sale or purchase of a security;***

29 ***(i) The business broker advises potential buyers that the***
30 ***business broker does not and will not verify any information***
31 ***concerning the business to be sold which has been provided to the***
32 ***business broker by the seller; and***

33 ***(j) The business being sold is not a shell company as defined***
34 ***by 17 C.F.R. § 230.405.***

35 ***2. As used in this section, “business broker” has the meaning***
36 ***ascribed to it in NRS 645.0075.***

37 **Sec. 2.** NRS 90.220 is hereby amended to read as follows:

38 90.220 “Broker-dealer” means any person engaged in the
39 business of effecting transactions in securities for the account of
40 others or for the person’s own account. “Broker-dealer” does not
41 include:

- 42 1. A sales representative;
- 43 2. An issuer, except when effecting transactions other than
44 with respect to its own securities;
- 45 3. A depository institution; ~~to~~



- 1 4. *A business broker effecting a transaction pursuant to*
2 *section 1 of this act; or*
3 5. Any other person the Administrator by regulation or order
4 designates.
5 **Sec. 3.** This act becomes effective on July 1, 2013.



