

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Walter F. Tilty

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act Relative to the Uniform Securities Act.

PETITION OF:

NAME:

Walter F. Tilty

DISTRICT/ADDRESS:

7th Norfolk

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO THE UNIFORM SECURITIES ACT.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Subsection (i) of section 401 of chapter 110A of the General Laws, as
2 appearing in the 2006 Official Edition, is hereby amended by adding the following clause:
3 (7) The terms defined in the subsection do not include a distribution of securities pursuant to the
4 terms of an agreement for the merger or acquisition of a corporation, limited liability company,
5 partnership, limited partnership, business trust, sole proprietorship, and other business
6 organization.

7 SECTION 2. Paragraph (2) of subsection (a) of section 410 of said chapter 110A, as so
8 appearing, is hereby amended by adding the following two sentences:
9 In an action under the subsection, if the person who offered or sold the security proves that and
10 portion of all of the amount otherwise recoverable under this subsection represents other than the
11 depreciation in value of the subject security resulting from the untrue statement of a material fact
12 or omission to state a material fact, with respect to which the liability of that person is asserted,
13 then that portion or amount, as the case may be, shall not be recoverable. In addition, if it is
14 proved that the person who purchased the security sold the security before the date on which

15 notice was publicly disclosed that information correcting the untrue statement of a material fact
16 or omission to state a material fact, with respect to which the liability of the person who offered
17 or sold the security is asserted, was lacking or that the question was under review, then no
18 damages shall be awarded.

19 SECTION 3. This act shall apply to all actions pending the effective date of this act or
20 commenced on or after the effective date of this act.