

THE STATE OF UTAH  
LEGAL DEPARTMENT  
SALT LAKE CITY

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May 14, 1927.

Utah State Securities Commission  
B U I L D I N G.

Gentlemen:

You ask for my opinion as to whether or not the Commission has the power to adopt rules and regulations relative to the amount of commissions or expense that may be allowed and paid by thrift corporations in the sale of their securities, and if the Commission has power to reduce the amount of commissions and leading charges that may have been allowed when any such company was registered.

In reply to this query I give it as my opinion that the Commission does have such general supervisory powers, over all securities required by law to be registered, as will enable it to adopt any reasonable rules and regulations governing the sale, or offering for sale of such securities and the commissions and leading charges which may be permitted.

Section 7 of the 1925 Act provides, among other things, as follows:

(61-1-11)  
(1933)

"With respect to securities required to be registered by qualification under the provisions of this section, the Commission may, by order duly recorded, fix the maximum amount of commission, or other form of remuneration, to be paid in cash or otherwise directly or indirectly, for or in connection with the sale or offering for sale of such securities."

The section further provides certain things necessary in order to have a security registered, and that when such security is registered it may be sold by the issuer or by any registered dealer in the manner provided in Section 10 of the Act;

(61-1-11)  
(Last para-  
graph)

"Subject, however, to the further order of the Commission as hereinafter provided."

It is then provided in Section 12 of the Act that the Commission shall:

(61-1-19)

"In general have the same powers of examination and regulation of transactions and business of registered dealers as the State Banking Commission has with reference to banks and other financial institutions of this State."

(1943 82-1- )

Chapter 43 Session Laws of Utah, 1923, has to do with the regulation of building and loan associations, and Section 18 of that Act, among other things, provides as follows:

"The Bank Commissioner shall also have the power to adopt and promulgate reasonable and uniform rules and regulations in harmony with law to govern the conduct, operation and management of all building and loan associations created, organized or existing under and by virtue of the laws of the State of Utah."

Section 14 of the Act provides that the Commission may, in its discretion and for good cause, refuse to register any security, or, where a security has been registered, it may cancel such registration if, after a reasonable notice and a hearing, the Commission determines that such applicants or registrars who registered "have violated any provision of this Act, or any regulation made here under."

Other reasons for refusing to register, or cancel registrations are given, but it seems clear that the Act contemplates giving the Commission full power and authority to adopt necessary reasonable rules and regulations governing the sale of securities in this State, and in that connection, power to fix the amount of commissions that may be charged, and the loading or overhead expense that may be allowed, and if the Commission were to fix such commission by order promulgated, and such order were not complied with, with respect to any registered security, the Commission would have power to cancel the registration.

Yours truly,

/s/ Harvey H. Cluff

Attorney General