

HCS HB 1083 -- SECURITIES

SPONSOR: O'Donnell

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Financial Institutions by a vote of 13 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 9 to 0.

This bill prohibits a court from dividing securities among multiple recipients in such a way that negotiable securities become nonnegotiable securities. However, a court may divide securities into increments equal to a multiple of the allowable tradeable amount or denomination accepted by the industry, as defined in the official statement or offering document of the original security.

If these provisions prevent the distribution of property as another law requires, a court may:

- (1) Distribute securities and other property in a way so that the total value of property each recipient receives is as close to the proper proportion as practicable;
- (2) Liquidate the securities and distribute the resulting money among recipients; or
- (3) Take any other action within its power, including a combination of the options above.

PROPONENTS: Supporters say that this bill is a practical solution for a problem that occurs from time to time. The bill will give guidance for probate and divorce courts, as well as for attorneys.

Testifying for the bill were Representative O'Donnell and David M. Minnick, Missouri Secretary of States Office.

OPPONENTS: There was no opposition voiced to the committee.