

**Mississippi Secretary of State
2008 Business Reform Committees
Minutes of Securities Law Study Group, Meeting #3
July 24, 2008**

The teleconference meeting of the Securities Law Study Group was called to order on Thursday, July 24, 2008 at 11:00 A.M. at the Office of the Secretary of State, 700 North Street, Jackson, Mississippi. A list of the persons who were present in person or by telephone is attached at Exhibit A.

Introduction

Cliff Hodge, Chairman, welcomed the members to the meeting. The minutes of the meeting held on June 26, 2008 were approved. Upon approval, Mrs. Baker yielded the floor to Tricia Melvin of the Business Regulation and Enforcement Division ("BRE").

Business Regulation and Enforcement Suggestions and Comments

Ms. Melvin reported that BRE created a chart comparing the Uniform Securities Act of 2002 (the "USA") and the Mississippi Securities Act (the "Mississippi Act"). BRE has added their Mississippi-specific comments to the chart and she and Mike Huggs presented a report on these comments. The comments and the corresponding page numbers to the chart are set forth at Exhibit B.

Chairman Hodge then requested reports from the Sub-Groups.

Definitions, Issuer Registration/Exemptions Sub-Group

Keith Parsons, Chair, commented that in most cases the provisions of the Mississippi Securities Act covered by his group were basically identical to the USA and in some cases better than the provisions of the USA. He was hesitant to proceed with adoption of the USA based on the assumption that the USA is better without having documentation to support this assumption.

Mr. Parsons concerns led to a discussion of which route would be preferable. Should the group proceed with adoption of the USA or keep the existing Mississippi Act and make changes to it. Mercer Bullard stated that businesses [who operated on a national level or in multiple states] want consistent regulations when they enter the Mississippi market. He remarked that being uniform would provide the consistency sought by these businesses. Senior Attorney Melvin commented that there were several benefits to adopting the USA that were not present in the existing Mississippi Act and mentioned some of them, such as the USA was better written and more organized and it provides for improved and increased enforcement powers to the BRE. In addition, feedback received from other states that had adopted the USA has been positive and several of them listed reasons why the USA was an improvement to their prior existing

securities law statutes. There was further discussion of the benefits of uniformity versus the benefits of having specialized statutory provisions in Mississippi that might be better in some ways than the USA. One member commented that we needed to be careful that deviations from the USA are not perceived by the public as “home cooking.” Following the discussion Chairman Hodge recommended that the group proceed with the adoption of the USA and only make changes to the USA provisions if there was a significant reason to differentiate from it.

Securities Professionals Sub-Group (Article 4 USA)

Greg Frascogna, Acting Chair, explained that the sub-group had certain terms in Article 4 that it wanted to clarify and define. Mr. Frascogna noted he would seek clarification by determining how other states interpreted the terms. A copy of this Sub-Group’s report is attached at Exhibit C.

Fraud and Civil Liability Sub-Group

William Ray, Chair stated that his committee had not yet held a meeting and he did not have a report for the Group. He did have a concern with the meaning of “fraud” and who defines the word “fraud” under the USA. He favors using the common law definition of fraud. His group will have a report for the next meeting.

Crime and Punishment Sub-Group

Mike Huggs, Chair made recommendations and comments to USA Articles 5 and 6. See Exhibit B.

Plans for Next Meeting and Conclusion

Chairman Hodge asked the sub-groups to look at BRE’s comments to the sections particular to each sub-group. The sub-groups should come back for the next meeting to be held on August 7, 2008 with some recommendations in their areas for the entire Group to consider. With no further business, the meeting adjourned at 12:15 P.M.

Respectfully Submitted,



Cheryn Baker
Assistant Secretary of State
Division of Policy and Research

Exhibit A
to the July 24, 2008 Minutes of the Securities Law Study Group Meeting #3

In Attendance:

Chair - Cliff Hodge

By Telephone:

Vice-Chair - Mercer Bullard

Vice-Chair - Celie Edwards

Charles Adams

Charlie Banks

Charles Browning

Pete Cajoleas

Jeremy Chalmers

Danny Chancellor

David Clark

Roger Davis

John Flynt

Greg Frascogna

Keith Parsons

Tom Ramsey

William Ray

Chuck McBride

Secretary of State Personnel Attending:

Cory Wilson, Chief of Staff

Cheryn Baker, Assistant Secretary of State, Policy and Research

Mike Huggs - Director, Business Regulation and Enforcement

Melanie Thomas – Senior Attorney, Business Regulation and Enforcement

Tricia Melvin - Senior Attorney, Business Regulation and Enforcement

Phillips Strickland, Division Coordinator

Brian Bledsoe, Intern