



California Corporate & Securities Law

Commissioner Proposes Clarifications To Proposed Broker-Dealer Safe Harbor Rule

Posted In [Broker-Dealers, Department of Corporations](#)

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Yesterday, Commissioner Preston DuFauchard proposed further clarifications to the text of a proposed rule intended to respond to the California Court of Appeal's decision in *People v. Cole*, 156 Cal.App.4th 452 (2007). That decision engendered confusion regarding whether officers and directors of an issuer can rely on the agent exclusion set forth in Corporations Code § 25003(d). For background on this case, see my article, *A Shot Not Heard—The Court of Appeal Holds that an Issuer's Directors and Officers Must Be Licensed as Securities Broker-Dealers*, 3 Cal. Bus. L. News (2008).

You can read the text of the proposed changes [here](#). Additions to this section are shown by double underlining and deletions are shown by double strike-out.

The comment period on these modifications to the proposed text ends on October 21, 2010. Comments may be mailed to the California Corporations Commissioner, Attn: Karen Fong, Staff Services Analyst, Office of Legislation and Policy, 1515 K Street, Suite 200, Sacramento, California 95814. Written comments may also be sent to Karen Fong via electronic mail at regulations@corp.ca.gov or via fax at (916) 322-5875.

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