

Vernon's Texas Statutes and Codes Annotated
Civil Statutes (Refs & Annos)
Title 19. Blue Sky Law--Securities (Refs & Annos)

Vernon's Ann.Texas Civ.St. Art. 581-12

Art. 581-12. Registration of Persons Selling Securities or Rendering Investment Advice

Effective: September 1, 2001

[Currentness](#)

A. Except as provided in Section 5 of this Act, no person, firm, corporation or dealer shall, directly or through agents, offer for sale, sell or make a sale of any securities in this state without first being registered as in this Act provided. No agent shall, in behalf of any dealer, sell, offer for sale, or make sale of any securities within the state unless registered as an agent for that particular registered dealer under the provisions of this Act.

B. Except as provided by Section 5 of this Act, a person may not, directly or through an **investment adviser representative**, render services as an **investment adviser** in this state unless the person is registered under this Act, submits a notice filing as provided by Section 12-1 of this Act, or is otherwise exempt under this Act. A person may not act or render services as an **investment adviser representative** for a certain **investment adviser** in this state unless the person is registered or submits a notice filing as an **investment adviser representative** for that particular **investment adviser** as provided in Section 18 or 12-1 of this Act.

C. The Board may adopt rules and regulations exempting certain classes of persons from the dealer, agent, **investment adviser**, and **investment adviser representative** registration requirements, or providing conditional exemptions from registration, if the Board determines that such rules and regulations are consistent with the purposes of this Act.

Credits

Acts 1957, 55th Leg., p. 575, ch. 269, § 12. Amended by [Acts 1995, 74th Leg., ch. 228, § 7, eff. Sept. 1, 1995](#); [Acts 2001, 77th Leg., ch. 1091, § 2.08, eff. Sept. 1, 2001](#).

Editors' Notes

SAVED FROM REPEAL

<The Uniform Commercial Code, enacted by Acts 1965, 59th Leg., vol. 2, p. 1, ch. 721, provided that the Act did not repeal or diminish arts. 581-1 through 581-39, and further provided that if in any respect there was any inconsistency between those articles and the Commercial Code, the provisions of those articles should control. Acts 1965, 59th Leg., vol. 2, p. 1, ch. 721, was itself repealed by Acts 1967, 60th Leg., vol. 2, p. 2343, ch. 785, adopting the Business & Commerce Code effective September 1, 1967. However, the latter Act specifically provided that the repeal did not affect the prior operation of the 1965 Act or any prior action taken under it.>

LAW REVIEW COMMENTARIES

To **register** or not to **register**. James W. Ryan and Robert C. Beasley, 55 Tex.B.J. 562 (1992).

RESEARCH REFERENCES

2014 Electronic Pocket Part Update

Encyclopedias

[TX Jur. 3d Securities Regulation § 63, Investment Advisers and Investment Adviser Representatives.](#)

NOTES OF DECISIONS

Agents and employees

Failure of company hired to train investment company's Chinese employees on the day trading of stocks to properly **register** as an investment adviser, as required under Texas Securities Act, precluded contractual and quasi-contractual claims against investment company. [S & D Trading Academy, LLC v. AAFIS Inc., C.A.5 \(Tex.\)2009, 336 Fed.Appx. 443, 2009 WL 1885881, Unreported, certiorari denied 130 S.Ct. 1054, 558 U.S. 1111, 175 L.Ed.2d 883. Securities Regulation 🔑 293](#)

An out-of-state petroleum company registered under the Federal Securities Act and the Federal Securities and Exchange Act desiring to solicit offers in Texas for purchase of royalties by resident salesmen who deducted commissions and remitted net sum with offers to such company was required to secure an issuer's permit from the Secretary of State and local salesmen were required thereafter to **register** under the provisions of former art. 600a. Op.Atty.Gen.1941, No. 0-3193.

Dealers

A secretary, treasurer of farm loan association who under oral contract was employed by prospective purchaser to assist in procuring oil and gas leases from landowners was not a "dealer in securities" required to **register** under Securities Act. [Fowler v. Hulst, 1942, 138 Tex. 636, 161 S.W.2d 478. Securities Regulation 🔑 260](#)

Purchasers

The Securities Act is intended to regulate sellers and sales of securities and to protect purchasers against sellers, but it does not undertake to regulate purchasers or to protect sellers against purchasers, and a purchaser is not required to **register** under act as a condition precedent to acquiring an oil or gas lease or other mineral interests. [Lewis v. Davis \(Sup. 1947\) 145 Tex. 468, 199 S.W.2d 146. Securities Regulation 🔑 256.1](#)

An employee of an oil company, paid either on a salary or commission basis, who secured oil and gas leases and royalties in his own name and later assigned them to his employer was not required to **register** under the Securities Act either as a dealer or salesman. Op.Atty.Gen.1941, No. 0-3366.

Failure to **register**

Where accused adopted policy of having owner of oil lands execute lease to accused and in event of sale of such lease to debtor, accused would accept and record such lease and then transfer it to the purchaser but in event of no sale thereof, lease would be returned to the landowner or destroyed, accused could not escape penalty for failure to **register** as a dealer in securities on ground that leases were disposed of by accused as owner, not otherwise engaged either permanently or temporarily in selling securities. [Atwood v. State \(Cr.App. 1938\) 135 Tex.Crim. 543, 121 S.W.2d 353. Securities Regulation 🔑 322](#)

Vernon's Ann. Texas Civ. St. Art. 581-12, TX CIV ST Art. 581-12

Current through the end of the 2013 Third Called Session of the 83rd Legislature

End of Document

© 2014 Thomson Reuters. No claim to original U.S. Government Works.