

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

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**MEMORANDUM**

To: House Committee on Financial Institutions and Pensions

From: Office of Revisor of Statutes

Date: March 18, 2024

Subject: **SB 405-Holding a control person liable for violations of the Kansas uniform securities act by an individual subject to discipline under the act unless the control person was unaware and could not reasonably have known of the violations of such individual.**

Senate Bill No. 405 amends the Kansas uniform securities act relating to violations of the act and discipline for such violations. Under current law, only an individual in control of someone violating the act under certain circumstances listed in K.S.A. 17-12a412(d) may be disciplined by the administrator.

SB 405 adds a provision stating that a person that directly or indirectly controls a person, who is engaging, about to engage or has engaged an action constituting a violation of the act, or a rule or regulation promulgated under the act, may be held to the same discipline as the violating person, unless the controlling person did not know and could not have reasonably known of the violating person's actions or behavior.

The Senate made no amendments to SB 405 and passed the bill by a vote of 29-10 on February 22, 2024.