

HOUSE No. 1051

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act Relative to the Uniform Securities Act..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Subsection (i) of section 401 of chapter 110A of the General Laws, as
2 appearing in the 2006 Official Edition, is hereby amended by adding the following clause:

3 (7) The terms defined in the subsection do not include a distribution of securities pursuant
4 to the terms of an agreement for the merger or acquisition of a corporation, limited liability
5 company, partnership, limited partnership, business trust, sole proprietorship, and other business
6 organization.

7 SECTION 2. Paragraph (2) of subsection (a) of section 410 of said chapter 110A, as so
8 appearing, is hereby amended by adding the following two sentences:

9 In an action under the subsection, if the person who offered or sold the security proves
10 that and portion of all of the amount otherwise recoverable under this subsection represents other
11 that the depreciation in value of the subject security resulting from the untrue statement of a
12 material fact or omission to state a material fact, with respect to which the liability of that person
13 is asserted, then that portion or amount, as the case may be, shall not be recoverable. In addition,

14 if it is proved that the person who purchased the security sold the security before the date on
15 which notice was publicly disclosed that information correcting the untrue statement of a
16 material fact or omission to state a material fact, with respect to which the liability of the person
17 who offered or sold the security is asserted, was lacking or that the question was under review,
18 then no damages shall be awarded.

19 SECTION 3. This act shall apply to all actions pending the effective date of this act or
20 commenced on or after the effective date of this act.