

**OPINION
56-107**

April 10, 1956 (OPINION)

SECURITIES

RE: Must Issuers Register as "Dealers"?

This is in reply to your letter of April 6, 1956, wherein an opinion is requested as to whether or not issuers of securities, who wish to sell such securities in North Dakota, must register as "dealers" in the same manner as "dealers" who are selling the securities as representatives of the issuers.

The question arises as a result of section 10-0408(1)(e) pertaining to the registration of securities by qualification which reads, in part, as follows:

"After such registration the securities may be sold by the applicant or by any registered dealer."

Under section 10-0402(2)(b) a "dealer" is defined to mean every person, other than a salesman, who engages in this state, either for all or part of his time, directly or through an officer, director, employee or agent, which officer, director, employee or agent is not registered as a dealer under this Act, in selling securities issued by such person.

Section 10-0410 provides that no dealer or salesman shall offer for sale or sell any securities within or from this state, except in transactions exempt under section 6 (10-0406), unless he is registered as a dealer or salesman pursuant to the provisions of this section.

The purpose of chapter 10-04 of the 1953 Supplement to the N.D.R.C. of 1943 is to provide supervision of issue and sale of securities. Such supervision is accomplished primarily through registration of securities and registration of dealers and salesmen.

We believe, therefore, that the law requires issuers of securities who wish to personally sell such securities in North Dakota, to register as "dealers". In other words, section 10-0408(1)(e) merely pertains to registration of securities and does not provide the issuer of securities with an exemption from the provisions of section 10-0410.

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