

THE SECURITIES ACT

STATE OF TEXAS

Effective January 1, 2022

**As Amended, Including All Amendments
Effective as of January 1, 2022**

Source documents:

Revisor's Report, A Nonsubstantive Revision of the Securities Act, Texas Legislative Council, 2019

House Bill 4171, Chapter 491, Acts of the 86th Legislature, Regular Session, 2019

House Bill 3607, Chapter 915, Acts of the 87th Legislature, Regular Session, 2021

House Bill 4477, Acts of the 87th Legislature, Regular Session, 2021

Senate Bill 1280, Acts of the 87th Legislature, Regular Session, 2021



TEXAS STATE SECURITIES BOARD

E. Wally Kinney - Chair
Comfort, Texas

Kenny Koncaba - Member
Friendswood, Texas

Robert Belt - Member
Houston, Texas

Melissa Tyroch - Member
Belton, Texas

Ejike E. Okpa II - Member
Dallas, Texas

Travis J. Iles
Securities Commissioner

Clinton Edgar
Deputy Securities Commissioner

This page intentionally left blank.

**TEXAS GOVERNMENT CODE
TITLE 12. SECURITIES ACT**

*As Amended, Including All Amendments
Effective as of January 1, 2022*

House Bill 4171, Chapter 491, Acts of the 86th Legislature, Regular Session, 2019.

House Bill 3607, Chapter 915, Acts of the 87th Legislature, Regular Session, 2021.

House Bill 4477, Chapter 502, Acts of the 87th Legislature, Regular Session, 2021.

Senate Bill 1280, Chapter 41, Acts of the 87th Legislature, Regular Session, 2021.

.....

**HISTORICAL INFORMATION
TEXAS CIVIL STATUTES, ARTICLES 581-1 through 581-45
*Effective September 1, 1957 through December 31, 2021***

- Senate Bill 294, Chapter 269, Acts of the 55th Legislature, Regular Session, 1957.
- Senate Bill 361, Chapter 88, Acts of the 56th Legislature, Regular Session, 1959.
- House Bill 865, Chapter 457, Acts of the 56th Legislature, Regular Session, 1959.
- House Bill 464, Chapter 466, Acts of the 57th Legislature, Regular Session, 1961.
- House Bill 42, Chapter 170, Acts of the 58th Legislature, Regular Session, 1963.
- Senate Bill 870, Chapter 235, Acts of the 62nd Legislature, Regular Session, 1971.
- Senate Bill 71, Chapter 97, Acts of the 63rd Legislature, Regular Session, 1973.
- Senate Bill 15, Chapter 78, Acts of the 64th Legislature, Regular Session, 1975.
- Senate Bill 469, Chapter 170, Acts of the 65th Legislature, Regular Session, 1977.
- House Bill 1158, Chapter 327, Acts of the 65th Legislature, Regular Session, 1977.
- Senate Bill 54, Chapter 735, Acts of the 65th Legislature, Regular Session, 1977.
- Senate Bill 293, Chapter 160, Acts of the 66th Legislature, Regular Session, 1979.
- House Bill 1896, Chapter 839, Acts of the 67th Legislature, Regular Session, 1981.
- House Bill 1867, Chapter 953, Acts of the 68th Legislature, Regular Session, 1983.
- Senate Bill 106, Chapter 465, Acts of the 68th Legislature, Regular Session, 1983.
- Senate Bill 289, Chapter 578, Acts of the 69th Legislature, Regular Session, 1985.
- House Bill 1593, Chapter 239, Acts of the 69th Legislature, Regular Session, 1985.
- Senate Bill 813, Chapter 479, Acts of the 69th Legislature, Regular Session, 1985.
- House Bill 875, Chapter 732, Acts of the 70th Legislature, Regular Session, 1987.
- House Bill 61, Chapter 5, Acts of the 70th Legislature, 2nd Called Session, 1987.
- Senate Bill 785, Chapter 40, Acts of the 71st Legislature, Regular Session, 1989.
- House Bill 2519, Chapter 584, Acts of the 71st Legislature, Regular Session, 1989.
- House Bill 1213, Chapter 733, Acts of the 71st Legislature, Regular Session, 1989.
- Senate Bill 4, Chapter 565, Acts of the 72nd Legislature, Regular Session, 1991.
- House Bill 11, Chapter 5, Acts of the 72nd Legislature, 1st Called Session, 1991.
- House Bill 222, Chapter 17, Acts of the 72nd Legislature, 1st Called Session, 1991.
- House Bill 273, Chapter 917, Acts of the 73rd Legislature, Regular Session, 1993.
- House Bill 1463, Chapter 300, Acts of the 73rd Legislature, Regular Session, 1993.

House Bill 1295, Chapter 228, Acts of the 74th Legislature, Regular Session, 1995.
House Bill 1507, Chapter 638, Acts of the 75th Legislature, Regular Session, 1997.
House Bill 1971, Chapter 1396, Acts of the 75th Legislature, Regular Session, 1997.
Senate Bill 1368, Chapter 62, Acts of the 76th Legislature, Regular Session, 1999.
House Bill 2255, Chapter 1091, Acts of the 77th Legislature, Regular Session, 2001.
House Bill 2728, Chapter 663, Acts of the 77th Legislature, Regular Session, 2001.
House Bill 3015, Chapter 561, Acts of the 77th Legislature, Regular Session, 2001.
Senate Bill 1060, Chapter 108, Acts of the 78th Legislature, Regular Session, 2003.
House Bill 1840, Chapter 1077, Acts of the 78th Legislature, Regular Session, 2003.
House Bill 2376, Chapter 285, Acts of the 78th Legislature, Regular Session, 2003.
House Bill 874, Chapter 614, Acts of the 81st Legislature, Regular Session, 2009.
Senate Bill 652, Chapter 1232, Acts of the 82nd Legislature, Regular Session, 2011.
House Bill 2342, Chapter 523, Acts of the 82nd Legislature, Regular Session, 2011.
House Bill 3174, Chapter 346, Acts of the 82nd Legislature, Regular Session, 2011.
House Bill 1675, Chapter 1279, Acts of the 83rd Legislature, Regular Session, 2013.
House Bill 7, Chapter 448, Acts of the 84th Legislature, Regular Session, 2015.
House Bill 1629, Chapter 652, Acts of the 84th Legislature, Regular Session, 2015.
House Bill 3921, Chapter 376, Acts of the 85th Legislature, Regular Session, 2017.
House Bill 1535, Chapter 772, Acts of the 86th Legislature, Regular Session, 2019.
House Bill 4171, Chapter 491, Acts of the 86th Legislature, Regular Session, 2019.
House Bill 4477, Chapter 502, Acts of the 87th Legislature, Regular Session, 2021.
Senate Bill 1280, Chapter 41, Acts of the 87th Legislature, Regular Session, 2021.

TABLE OF CONTENTS

Chapter 4001. General Provisions	1
Subchapter A. Short Title; Purposes; Construction	1
Sec. 4001.001. Short Title.	1
Sec. 4001.002. Purposes; Construction.	1
Sec. 4001.003. Severability.	1
Subchapter B. Definitions	1
Sec. 4001.051. Applicability of Definitions; Construction of Certain Conjunctions. . .	1
Sec. 4001.052. Agent	1
Sec. 4001.053. Board	2
Sec. 4001.054. Broker.	2
Sec. 4001.055. Commissioner.	2
Sec. 4001.056. Dealer	2
Sec. 4001.057. Federal Covered Investment Adviser	2
Sec. 4001.058. Fraud; Fraudulent Practice.	2
Sec. 4001.059. Investment Adviser.	3
Sec. 4001.060. Investment Adviser Representative	3
Sec. 4001.061. Issuer	4
Sec. 4001.062. Mortgage	4
Sec. 4001.063. No Par Value; Par Value	4
Sec. 4001.064. Person; Company	4
Sec. 4001.065. Registered Dealer	4
Sec. 4001.066. Registered Investment Adviser	5
Sec. 4001.067. Sale; Offer for Sale; Sell	5
Sec. 4001.068. Security.	5
Subchapter C. General Administrative Provisions	6
Sec. 4001.101. Sufficiency of Notice	6
Sec. 4001.102. Consent for Service of Process	6
Subchapter D. Other General Provisions	6
Sec. 4001.151. Prosecution under Certain Other Law	6
Sec. 4001.152. Good Faith.	7
Sec. 4001.154. Certified Copies of Certain Documents or Instruments as Evidence . .	7
Sec. 4001.155. Proof of Certain Records	7
Chapter 4002. State Securities Board and Securities Commissioner	9
Subchapter A. General Provisions	9
Sec. 4002.001. Applicability of Other Law.	9
Sec. 4002.002. Sunset Provision.	9
Subchapter B. State Securities Board	9
Sec. 4002.051. Appointment of Board	9
Sec. 4002.052. Membership Eligibility	9
Sec. 4002.053. Membership and Employee Restrictions	9
Sec. 4002.054. Terms; Vacancy	10
Sec. 4002.055. Presiding Officer.	10
Sec. 4002.056. Grounds for Removal.	10
Sec. 4002.057. Per Diem	11
Sec. 4002.058. Board Member Training.	11

Subchapter C. Securities Commissioner and Employees of Board	12
Sec. 4002.101. Securities Commissioner	12
Sec. 4002.102. Deputy Securities Commissioner; Securities Commissioner Appointees	12
Sec. 4002.103. Division of Responsibilities	12
Sec. 4002.104. Standards of Conduct Information	12
Sec. 4002.105. Career Ladder Program; Performance Evaluations	12
Sec. 4002.106. Equal Employment Opportunity Policy	12
Sec. 4002.107. Written Employee Complaint Procedure	13
Subchapter D. Powers and Duties of Board and Commissioner	13
Sec. 4002.151. Rules	13
Sec. 4002.152. Rules Regarding Competitive Bidding or Advertising	14
Sec. 4002.153. Board Delegation of Rulemaking Authority	14
Sec. 4002.1535. Alternative Rulemaking and Dispute Resolution	14
Sec. 4002.154. Commissioner Discretion Regarding Rules	15
Sec. 4002.155. Deposit of Receipts to General Revenue Fund	15
Sec. 4002.156. Board Authority to Exercise Commissioner's Powers	15
Sec. 4002.157. List of Securities Offered	15
Sec. 4002.158. Record of Proceedings	15
Sec. 4002.159. Record of Certain Filings and Orders	15
Sec. 4002.160. Commissioner's Access to Records and Reports of Other State Agencies	15
Sec. 4002.161. Confidentiality of Certain Information	16
Sec. 4002.162. Board Access to Offices and Records	16
Sec. 4002.163. Annual Report	16
Subchapter E. Consumer Interest and Other Public Interest Information	17
Sec. 4002.201. Consumer Interest Information	17
Sec. 4002.202. Public Participation	17
Sec. 4002.203. Documents and Other Information Filed with Commissioner; Public Records	17
Chapter 4003. Securities	19
Subchapter A. Permit Qualifying Securities for Sale	19
Sec. 4003.001. Permit Required; Exceptions	19
Sec. 4003.002. Permit Application to Qualify Securities for Sale	19
Sec. 4003.003. Statement of Financial Condition and Income Statement	20
Sec. 4003.004. Exceptions to Certification Requirement for Financial Statements	21
Sec. 4003.005. Permit Fee	21
Sec. 4003.006. Examination of and Determination on Permit Application	22
Sec. 4003.007. Form and Contents of Permit	22
Sec. 4003.008. Term of Permit	22
Sec. 4003.009. Renewal of Permit	22
Sec. 4003.010. Use of Permit for Certain Purposes Prohibited	23
Subchapter B. Registration by Notification	23
Sec. 4003.051. Eligibility for Registration by Notification	23
Sec. 4003.052. Registration Statement Required	23
Sec. 4003.053. Exception to Certification Requirement for Financial Statements	24
Sec. 4003.054. Registration Procedures	24

Sec. 4003.055. Effective Date of Registration by Notification	25
Sec. 4003.056. Effect of Registration by Notification	25
Sec. 4003.057. Term of Registration.	25
Sec. 4003.058. Renewal of Registration	25
Sec. 4003.059. Insufficient or Fraudulent Registration Statement	25
Subchapter C. Registration by Coordination.	26
Sec. 4003.101. Eligibility for Registration by Coordination	26
Sec. 4003.102. Registration Statement Required	26
Sec. 4003.103. Examination of and Determination on Registration Statement	26
Sec. 4003.104. Term of Registration.	28
Sec. 4003.105. Renewal of Registration	28
Subchapter D. Prohibited Sales	28
Sec. 4003.151. Certain Sales Prohibited	28
Subchapter E. Regulation of Offers.	28
Sec. 4003.201. Definition	28
Sec. 4003.202. Applicability	28
Sec. 4003.203. Authorized Written, Printed, or Broadcast Offers	29
Sec. 4003.204. Authorized Oral Offers	29
Sec. 4003.205. Dealer Named in Offer	30
Sec. 4003.206. Effect of Compliance or Noncompliance	30
Subchapter F. Crowdfunding.	30
Sec. 4003.251. Definition	30
Sec. 4003.252. Crowdfunding.	30
Subchapter G. Protection for Purchasers of Securities	31
Sec. 4003.301. Deposit in Trust Account	31
Sec. 4003.302. Marketing Expenses	31
Sec. 4003.303. Prospectus Required for Certain Offers	32
Sec. 4003.304. Investor Education	32
Chapter 4004. Regulation of Dealers, Investment Advisers, Dealers' Agents, and Investment Adviser Representatives	33
Subchapter A. General Provisions	33
Sec. 4004.001. Rules for Exemption from Registration Requirements	33
Sec. 4004.002. Certain Displays or Advertisement of Registration Prohibited.	33
Sec. 4004.003. Display of Information Regarding Complaints.	33
Subchapter B. Registration of Dealers and Investment Advisers	33
Sec. 4004.051. Registration of Dealers Required	33
Sec. 4004.052. Registration of Investment Advisers Required	33
Sec. 4004.053. Application for Registration	34
Sec. 4004.054. Issuance of Registration Certificate	35
Sec. 4004.055. Form and Contents of Registration Certificate	35
Sec. 4004.056. Temporary Permission to Engage in Business as Dealer or Investment Adviser	35
Sec. 4004.057. Amendment of Registration Certificate	35
Sec. 4004.058. Posting Registration Certificates.	36
Subchapter C. Registration of Agents and Investment Adviser Representatives	36
Sec. 4004.101. Registration of Agents	36
Sec. 4004.102. Registration of Investment Adviser Representatives.	36

Sec. 4004.103. Application for Registration	36
Sec. 4004.104. Issuance of Evidence of Registration	36
Sec. 4004.105. Form and Contents of Evidence of Registration.	37
Sec. 4004.106. Cancellation of Registration	37
Subchapter D. Examination Requirements	37
Sec. 4004.151. Examination Requirements	37
Sec. 4004.152. Examination Results.	37
Subchapter E. Denial or Revocation of Registration	38
Sec. 4004.201. Denial of Registration.	38
Sec. 4004.202. Automatic Revocation of Registration of Agents and Investment Adviser Representatives after Revocation of Registration of Dealer or Investment Adviser	38
Subchapter F. Expiration and Renewal of Registration	38
Sec. 4004.251. Expiration of Registration.	38
Sec. 4004.252. Renewal of Registration	38
Sec. 4004.253. Staggered Renewal; Proration of Registration Renewal Fee	39
Sec. 4004.254. Notice of Expiration Required	39
Sec. 4004.255. Renewal of Expired Registration	39
Sec. 4004.256. Effect of Expired Registration.	39
Sec. 4004.257. Continuing Education	39
Subchapter G. Notice Filings of Federal Covered Investment Advisers and Certain Representatives of Federal Covered Investment Advisers	40
Sec. 4004.301. Applicability	40
Sec. 4004.302. Notice Filing.	40
Sec. 4004.303. Effective Date of Notice Filing.	40
Sec. 4004.304. Renewal	40
Subchapter H. Requirements for Protection of Vulnerable Adults from Financial Exploitation	40
Sec. 4004.351. Definitions	40
Sec. 4004.352. Reporting Suspected Financial Exploitation of Vulnerable Adults. . .	41
Sec. 4004.353. Form and Content of Report	41
Sec. 4004.354. Notifying Third Parties of Suspected Financial Exploitation of Vulnerable Adults	41
Sec. 4004.355. Temporary Hold on Transactions in Certain Cases of Suspected Financial Exploitation of Vulnerable Adults.	42
Sec. 4004.356. Immunity	42
Sec. 4004.357. Records.	43
Chapter 4005. Exemptions	45
Subchapter A. Exempt Transactions	45
Sec. 4005.001. Scope of Exemption	45
Sec. 4005.002. Court Supervised Sales	45
Sec. 4005.003. Pledged Securities.	45
Sec. 4005.004. Isolated Transactions	45
Sec. 4005.005. Insurance Company Sales.	45
Sec. 4005.006. Stock Dividends	46
Sec. 4005.007. Existing Security Holders	46
Sec. 4005.008. Financial Distress	46

Sec. 4005.009.	Merger, Consolidation, and Asset Sales	46
Sec. 4005.010.	Exchange of Shares.	47
Sec. 4005.011.	Institutional Investors	47
Sec. 4005.012.	Private Limited Offerings	47
Sec. 4005.013.	Compensation Plans and Contracts	48
Sec. 4005.014.	Mortgages and Liens	48
Sec. 4005.015.	Nonprofits	48
Sec. 4005.016.	Financial Institutions	48
Sec. 4005.017.	Government Issuance or Guarantee	49
Sec. 4005.018.	Cooperatives.	49
Sec. 4005.019.	Secondary Market Sales	49
Sec. 4005.020.	Unsolicited Orders	51
Sec. 4005.021.	Oil, Gas, or Mining Interests	51
Sec. 4005.022.	Issuer Sales of Exempt Securities	51
Sec. 4005.023.	Options	51
Sec. 4005.024.	Exemptions by Rule or Order.	52
Sec. 4005.025.	Issuance or Transfer to Nonprofits	52
Subchapter B.	Exempt Securities	53
Sec. 4005.051.	Scope of Exemption	53
Sec. 4005.052.	Railroads or Utilities.	53
Sec. 4005.053.	Nonprofit Corporations	53
Sec. 4005.054.	Listed Securities	53
Sec. 4005.055.	Commercial Paper	54
Sec. 4005.056.	Secured Debt	54
Sec. 4005.057.	Nonprofit Debt	54
Sec. 4005.058.	Suspension of Exempt Status of Trading System	55
Subchapter C.	Procedures for Approval of Stock Exchange	55
Sec. 4005.101.	Application for Approval	55
Sec. 4005.102.	Approval of Stock Exchange	55
Sec. 4005.103.	Investigation and Hearing.	55
Sec. 4005.104.	Order of Approval	56
Sec. 4005.105.	Withdrawal of Approval.	56
Chapter 4006.	Fees	57
Subchapter A.	Certain Registration and Notice Filing Fees	57
Sec. 4006.001.	Certain Registration and Notice Filing Fees.	57
Subchapter B.	Exemption Fees and Other Fees	57
Sec. 4006.051.	Notice for Secondary Trading Exemption	57
Sec. 4006.052.	Notice for Limited Offering Exemption	57
Sec. 4006.053.	Application for Approval of Stock Exchange	57
Sec. 4006.054.	Amendment or Duplicate of Registration Certificate or Evidence of Registration	58
Sec. 4006.055.	Examination of Certain Applications or Registration Statements . . .	58
Sec. 4006.056.	Certified Copies	58
Sec. 4006.057.	Request to Take Examination	58
Sec. 4006.058.	Interpretation by General Counsel	58
Subchapter C.	Provisions Applicable to Certain Fees	59
Sec. 4006.101.	Reasonable and Necessary Requirement	59

Sec. 4006.102. Reduced Fees	59
Sec. 4006.103. Payment of Certain Costs	59
Sec. 4006.104. Refund of Registration Fee	59
Subchapter D. Fees for Certain Sales or Offers of Securities	59
Sec. 4006.151. Fee for Sale of Excess Securities	59
Sec. 4006.152. Fee for Exceeding Limited Offering Exemption	60
Sec. 4006.153. Fee for Sales of Unregistered Securities	60
Subchapter E. Miscellaneous Fees	61
Sec. 4006.201. Renewal of Registration by Notification	61
Subchapter F. Deposit of Fees	61
Sec. 4006.251. Deposit of Fees to General Revenue Fund	61
Sec. 4006.252. Daily Deposit of Certain Fees	61
Chapter 4007. Enforcement	63
Subchapter A. Authority to Enforce Title	63
Sec. 4007.001. Enforcement by Commissioner, Attorney General, and District or County Attorney	63
Sec. 4007.002. Means of Enforcement Not Exclusive	64
Subchapter B. Inspections and Investigations	64
Sec. 4007.051. Complaints Filed with Commissioner or Board	64
Sec. 4007.052. Inspections	64
Sec. 4007.053. Investigative Authority	65
Sec. 4007.054. Service of Subpoena, Summons, or Other Process	65
Sec. 4007.055. Enforcement of Subpoena; Contempt	65
Sec. 4007.056. Confidentiality of Investigative Information	66
Sec. 4007.057. Compensation of Witnesses	66
Sec. 4007.058. Imposition of Costs on Parties	66
Sec. 4007.059. Assistance to Securities Regulators in Other Jurisdictions	66
Subchapter C. Administrative Actions	67
Sec. 4007.101. Cease and Desist Order: Offer or Sale of Securities	67
Sec. 4007.102. Cease and Desist Order: Investment Adviser or Investment Adviser Representative	67
Sec. 4007.103. Cease Publication Order	68
Sec. 4007.104. Emergency Cease and Desist Order	68
Sec. 4007.105. Denial, Suspension, or Revocation of Registration	69
Sec. 4007.106. Assessment of Administrative Fine	70
Sec. 4007.107. Hearings on Certain Matters	71
Sec. 4007.108. Refund	72
Subchapter D. Civil Proceedings	72
Sec. 4007.151. Receivership	72
Sec. 4007.152. Injunctive Relief	73
Sec. 4007.153. Equitable Relief and Restitution	74
Sec. 4007.154. Civil Penalty	75
Sec. 4007.155. Recovery of Costs	75
Subchapter E. Criminal Provisions	75
Sec. 4007.201. Unauthorized Sale of Securities; Offense	75
Sec. 4007.202. Unauthorized Rendering of Services as Investment Adviser or Investment Adviser Representative; Offense	75

Sec. 4007.203. Fraudulent Conduct; Offense	76
Sec. 4007.204. Materially False Statement in Document or Proceeding; Offense . . .	76
Sec. 4007.205. False Statement or Representation Concerning Registration; Offense	77
Sec. 4007.206. Violation of Cease and Desist Order; Offense	77
Sec. 4007.207. Noncompliant Offer or Offer Prohibited by Cease Publication Order; Offense.	77
Sec. 4007.208. Aggregation of Amounts	77
Sec. 4007.209. Liability of Corporation	77
Chapter 4008. Private Rights of Action	79
Subchapter A. General Provisions	79
Sec. 4008.001. Unenforceability of Illegal Contracts	79
Sec. 4008.002. Certain Waivers Void	79
Sec. 4008.003. Action for Collection of Commission or Compensation.	79
Sec. 4008.004. Stay of Recognition or Enforcement of Foreign-country Judgment . .	79
Sec. 4008.005. Survivability of Action	80
Sec. 4008.006. Saving of Existing Rights and Remedies	80
Subchapter B. Civil Liability for Issuance, Sale, or Purchase of Securities	80
Sec. 4008.051. Offeror or Seller Liability: Registration and Related Violations	80
Sec. 4008.052. Offeror or Seller Liability: Untruth or Omission.	80
Sec. 4008.053. Buyer Liability	81
Sec. 4008.054. Nonselling Issuer Liability	81
Sec. 4008.055. Controlling Person or Aider Liability	82
Sec. 4008.056. Rescission	82
Sec. 4008.057. Damages.	82
Sec. 4008.058. Requirements of Rescission Offer to Buyers.	83
Sec. 4008.059. Requirements of Rescission Offer to Sellers	84
Sec. 4008.060. Costs; Attorney's Fees	85
Sec. 4008.061. Limitation of Liability in Small Business Issuances	85
Sec. 4008.062. Statute of Limitations	85
Subchapter C. Civil Liability of Investment Advisers and Investment Adviser Representatives	86
Sec. 4008.101. Investment Adviser or Investment Adviser Representative Liability .	86
Sec. 4008.102. Controlling Person or Aider Liability	87
Sec. 4008.103. Damages.	87
Sec. 4008.104. Statute of Limitations	87
Sec. 4008.105. Remedy Not Exclusive	87

This page intentionally left blank.

CODIFICATION OF THE TEXAS SECURITIES ACT¹

TEXAS GOVERNMENT CODE TITLE 12. SECURITIES ACT

Chapter 4001. General Provisions.

Subchapter A. Short Title; Purposes; Construction.

Sec. 4001.001. Short Title.² This title may be cited as The Securities Act.

Sec. 4001.002. Purposes; Construction.³

- (a) The general purposes of this title are to:
- (1) protect investors and, consistent with that purpose, encourage capital formation, job formation, and free and competitive securities markets;
 - (2) maximize coordination with federal and other states' laws and administration, particularly with respect to procedure, reports, forms, and exemptions; and
 - (3) minimize regulatory burdens on issuers and other persons subject to this title, especially small businesses.
- (b) This title may be construed and implemented to effectuate the title's general purposes.

Sec. 4001.003. Severability.⁴ The provisions of this title are severable. If any provision of this title is declared void or unconstitutional, the remaining provisions of this title would have been enacted notwithstanding such judicial determination of the invalidity of the provision, and the remaining provisions shall remain in effect.

Subchapter B. Definitions.

Sec. 4001.051. Applicability of Definitions; Construction of Certain Conjunctions.⁵

- (a) The definition for a term provided by this chapter applies in this title unless the context in which the term is used indicates a different meaning.
- (b) The term "and" may be construed to mean "or," and the term "or" may be construed to mean "and."

Sec. 4001.052. Agent.⁶

- (a) Except as provided by Subsection (b), "agent" includes a person or company employed, appointed, or authorized by a dealer to sell, offer for sale or delivery, solicit

¹ Footnotes provide cross-references to the Texas Securities Act as it was effective on September 1, 2021, and contained in Texas Civil Statutes, articles 581-1 through 581-45.

² Section 1.

³ Section 10-1.

⁴ Section 38.

⁵ Section 4 (part); Section 4.J (part).

⁶ Section 4.D.

Also available as part of the eCourse

[2023 LLCs, LPs and Partnerships eConference](#)

First appeared as part of the conference materials for the
32nd Annual LLCs, LPs and Partnerships session

"Unincorporated Interests as Securities Under Federal Law and State Law"