

HB 1702 -- FINANCIAL INSTRUMENTS

SPONSOR: O'Donnell

This bill prohibits a court from dividing securities among multiple recipients in such a way that negotiable securities become nonnegotiable securities. However, a court may divide securities into increments equal to a multiple of the allowable tradeable amount or denomination accepted by the industry, as defined in the official statement or offering document of the original security.

If these provisions prevent the distribution of property as another law requires, a court may:

- (1) Distribute securities and other property in a way so that the total value of property each recipient receives is as close to the proper proportion as practicable;
- (2) Liquidate the securities and distribute the resulting money among recipients; or
- (3) Take any other action within its power, including a combination of the options above.

This bill is the same as HCS HB 1083 (2019).