

# HOUSE BILL No. 1390

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-4-35; IC 5-28; IC 23-19.

**Synopsis:** Small business, entrepreneurship, and crowdfunding. Codifies the office of small business and entrepreneurship (office) established by Executive Order 13-17. Exempts crowdfunding that meets requirements of law from other state securities laws.

**Effective:** Upon passage.

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## Davisson, Braun, Clere

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January 15, 2014, read first time and referred to Committee on Financial Institutions.

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Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1390

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A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-4-35 IS ADDED TO THE INDIANA CODE AS  
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
3 PASSAGE]:

4 **Chapter 34. Office of Small Business and Entrepreneurship**  
5 **Sec. 1. As used in this chapter, "corporation" refers to the**  
6 **Indiana economic development corporation.**

7 **Sec. 2. As used in this chapter, "director" means the chief**  
8 **executive and administrative officer of the office of small business**  
9 **and entrepreneurship.**

10 **Sec. 3. As used in this chapter, "office" refers to the office of**  
11 **small business and entrepreneurship established by section 4 of this**  
12 **chapter.**

13 **Sec. 4. The office of small business and entrepreneurship is**  
14 **established to a develop an entrepreneurial climate for new talent**  
15 **and business opportunities, attracting both human and financial**  
16 **capital to Indiana.**



1           **Sec. 5. The lieutenant governor shall appoint the director of the**  
 2 **office. The director shall report directly to the lieutenant governor.**

3 **The director:**

4           **(1) is entitled to receive compensation in an amount set by the**  
 5 **lieutenant governor, subject to the approval of the budget**  
 6 **agency under IC 4-12-1-13;**

7           **(2) may appoint employees in the manner provided by**  
 8 **IC 4-15-2.2;**

9           **(3) may fix the compensation of employees of the office,**  
 10 **subject to the approval of the budget agency under**  
 11 **IC 4-12-1-13; and**

12           **(4) may delegate the director's authority to the appropriate**  
 13 **office staff.**

14           **Sec. 6. The office may adopt rules under IC 4-22-2 to carry out**  
 15 **its responsibilities under this chapter.**

16           **Sec. 7. The office shall maintain the following:**

17           **(1) The Small Business Development Center Lead Center.**

18           **(2) The Procurement Technical Assistance Centers.**

19           **(3) Other specialty programs, providing integrated resources**  
 20 **and consulting services to Indiana businesses with fewer than**  
 21 **five hundred (500) employees.**

22           **Sec. 8. The office shall support the development of small**  
 23 **business in Indiana through the Indiana small business**  
 24 **development center network and develop and administer other**  
 25 **programs that support and grow small businesses.**

26           **Sec. 9. The office shall provide assistance to the Indiana small**  
 27 **business development center network and assist the corporation**  
 28 **with the small business ombudsman function.**

29           **Sec. 10. The office has the other powers, duties, and**  
 30 **responsibilities that the governor or the lieutenant governor**  
 31 **designate, consistent with the exercise of the executive authority**  
 32 **under the constitution of the state of Indiana and Indiana law.**

33           SECTION 2. IC 5-28-5-6.5, AS ADDED BY P.L.56-2009,  
 34 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 UPON PASSAGE]: Sec. 6.5. The board shall maintain a small business  
 36 division including the Small Business Development Center Lead  
 37 Center, to carry out the corporation's duties under IC 5-28-17. The  
 38 board shall staff the division with employees of the corporation.

39           SECTION 3. IC 5-28-17-1, AS AMENDED BY P.L.133-2012,  
 40 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 UPON PASSAGE]: Sec. 1. (a) The corporation shall do the following  
 42 to carry out this chapter:



- 1 (1) Contribute to the strengthening of the economy of Indiana by  
 2 encouraging the organization and development of new business  
 3 enterprises, including technologically oriented enterprises.  
 4 (2) Approve and administer loans from the small business  
 5 development fund established by IC 5-28-18.  
 6 (3) Conduct activities for nontraditional entrepreneurs under  
 7 IC 5-28-18.  
 8 (4) Establish and administer the small and minority business  
 9 financial assistance program under IC 5-28-20.  
 10 (5) Assist small businesses in obtaining state and federal tax  
 11 incentives.  
 12 (6) Maintain, through the Small Business Development Centers,  
 13 a statewide network of public, private, and educational resources  
 14 to, among other things, inform small businesses of the state and  
 15 federal programs under which they may obtain financial  
 16 assistance or realize reduced costs through programs such as the  
 17 small employer health insurance pooling program under  
 18 IC 27-8-5-16(8).  
 19 **(7) Assist the office of small business and entrepreneurship**  
 20 **established by IC 4-4-35-4.**  
 21 (b) The corporation may do the following to carry out this chapter:  
 22 (1) Receive money from any source, enter into contracts, and  
 23 expend money for any activities appropriate to its purpose.  
 24 (2) Do all other things necessary or incidental to carrying out the  
 25 corporation's functions under this chapter.  
 26 (3) Establish programs to identify entrepreneurs with marketable  
 27 ideas and to support the organization and development of new  
 28 business enterprises, including technologically oriented  
 29 enterprises.  
 30 (4) Conduct conferences and seminars to provide entrepreneurs  
 31 with access to individuals and organizations with specialized  
 32 expertise.  
 33 (5) Establish a statewide network of public, private, and  
 34 educational resources to assist the organization and development  
 35 of new enterprises.  
 36 (6) Operate a small business assistance center to provide small  
 37 businesses, including minority owned businesses and businesses  
 38 owned by women, with access to managerial and technical  
 39 expertise and to provide assistance in resolving problems  
 40 encountered by small businesses.  
 41 (7) Cooperate with public and private entities, including the  
 42 Indiana Small Business Development Center Network and the



1 federal government marketing program, in exercising the powers  
2 listed in this subsection.

3 (8) Establish and administer the small and minority business  
4 financial assistance program under IC 5-28-20.

5 (9) Approve and administer loans from the small business  
6 development fund established by IC 5-28-18.

7 (10) Coordinate state funded programs that assist the organization  
8 and development of new enterprises.

9 SECTION 4. IC 23-19-1-2, AS ADDED BY P.L.27-2007,  
10 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 UPON PASSAGE]: Sec. 2. In this article, unless the context otherwise  
12 requires:

13 (1) "Agent" means an individual, other than a broker-dealer, who  
14 represents a broker-dealer in effecting or attempting to effect  
15 purchases or sales of securities or represents an issuer in effecting  
16 or attempting to effect purchases or sales of the issuer's securities.  
17 However, a partner, officer, or director of a broker-dealer or  
18 issuer, or an individual having a similar status or performing  
19 similar functions is an agent only if the individual otherwise  
20 comes within the term. The term does not include an individual  
21 excluded by rule adopted or order issued under this article.

22 (2) "Bank" means:

23 (A) a banking institution organized under the laws of the  
24 United States;

25 (B) a member bank of the Federal Reserve System;

26 (C) any other banking institution, whether incorporated or not,  
27 doing business under the laws of a state or of the United  
28 States, a substantial portion of the business of which consists  
29 of receiving deposits or exercising fiduciary powers similar to  
30 those permitted to be exercised by national banks under the  
31 authority of the Comptroller of the Currency under Section 1  
32 of Public Law 87-722 (12 U.S.C. 92a), and which is  
33 supervised and examined by a state or federal agency having  
34 supervision over banks, and which is not operated for the  
35 purpose of evading this article; and

36 (D) a receiver, conservator, or other liquidating agent of any  
37 institution or firm included in clause (A), (B), or (C).

38 (3) "Broker-dealer" means a person engaged in the business of  
39 effecting transactions in securities for the account of others or for  
40 the person's own account. The term does not include:

41 (A) an agent;

42 (B) an issuer;



- 1 (C) a bank, a savings institution, or a trust company that is a  
 2 wholly owned subsidiary of a bank or savings institution if its  
 3 activities as a broker-dealer are limited to those specified in  
 4 subsections 3(a)(4)(B)(i) through (vi), (viii) through (x), and  
 5 (xi) if limited to unsolicited transactions; 3(a)(5)(B); and  
 6 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C.  
 7 78c(a)(4) and 15 U.S.C. 78c(a)(5)) or a bank that satisfies the  
 8 conditions described in subsection 3(a)(4)(E) of the Securities  
 9 Exchange Act of 1934 (15 U.S.C. 78c(a)(4));  
 10 (D) an international banking institution; or  
 11 (E) a person excluded by rule adopted or order issued under  
 12 this article.
- 13 (4) "Commissioner" means the securities commissioner appointed  
 14 under IC 23-19-6-1(a).
- 15 (5) "Depository institution" means:  
 16 (A) a bank; or  
 17 (B) a savings institution, trust company, credit union, or  
 18 similar institution that is organized or chartered under the laws  
 19 of a state or of the United States, authorized to receive  
 20 deposits, and supervised and examined by an official or  
 21 agency of a state or the United States if its deposits or share  
 22 accounts are insured to the maximum amount authorized by  
 23 statute by the Federal Deposit Insurance Corporation, the  
 24 National Credit Union Share Insurance Fund, or a successor  
 25 authorized by federal law. The term does not include:  
 26 (i) an insurance company or other organization primarily  
 27 engaged in the business of insurance;  
 28 (ii) a Morris Plan bank; or  
 29 (iii) an industrial loan company that is not an insured  
 30 depository institution as defined in Section 3(c)(2) of the  
 31 Federal Deposit Insurance Act (12 U.S.C. 1813(c)(2)) or any  
 32 successor federal statute.
- 33 (6) "Federal covered investment adviser" means a person  
 34 registered under the Investment Advisers Act of 1940.
- 35 (7) "Federal covered security" means a security that is, or upon  
 36 completion of a transaction will be, a covered security under  
 37 Section 18(b) of the Securities Act of 1933 (15 U.S.C. 77r(b)) or  
 38 rules or regulations adopted under that provision.
- 39 (8) "Filing" means the receipt under this article of a record by the  
 40 commissioner or a designee of the commissioner.
- 41 (9) "Fraud", "fraudulent", "deceit", and "defraud" mean a  
 42 misrepresentation of a material fact, a promise, representation, or



1 prediction not made honestly or in good faith, or the failure to  
2 disclose a material fact necessary in order to make the statements  
3 made, in light of the circumstances under which they were made,  
4 not misleading. This definition does not limit or diminish the full  
5 meaning of the terms as applied by or defined in courts of law or  
6 equity. The terms are not limited to common law deceit.

7 (10) "Guaranteed" means guaranteed as to payment of all  
8 principal, dividends, and interest.

9 (11) "Institutional investor" means any of the following, whether  
10 acting for itself or for others in a fiduciary capacity:

11 (A) a depository institution or international banking  
12 institution;

13 (B) an insurance company;

14 (C) a separate account of an insurance company;

15 (D) an investment company as defined in the Investment  
16 Company Act of 1940;

17 (E) a broker-dealer registered under the Securities Exchange  
18 Act of 1934;

19 (F) an employee pension, profit-sharing, or benefit plan if the  
20 plan has total assets in excess of ten million dollars  
21 (\$10,000,000) or its investment decisions are made by a  
22 named fiduciary, as defined in the Employee Retirement  
23 Income Security Act of 1974, that is a broker-dealer registered  
24 under the Securities Exchange Act of 1934, an investment  
25 adviser registered or exempt from registration under the  
26 Investment Advisers Act of 1940, an investment adviser  
27 registered under this article, a depository institution, or an  
28 insurance company;

29 (G) a plan established and maintained by a state, a political  
30 subdivision of a state, or an agency or instrumentality of a state  
31 or a political subdivision of a state for the benefit of its  
32 employees, if the plan has total assets in excess of ten million  
33 dollars (\$10,000,000) or its investment decisions are made by  
34 a duly designated public official or by a named fiduciary, as  
35 defined in the Employee Retirement Income Security Act of  
36 1974, that is a broker-dealer registered under the Securities  
37 Exchange Act of 1934, an investment adviser registered or  
38 exempt from registration under the Investment Advisers Act  
39 of 1940, an investment adviser registered under this article, a  
40 depository institution, or an insurance company;

41 (H) a trust, if it has total assets in excess of ten million dollars  
42 (\$10,000,000), its trustee is a depository institution, and its



- 1 participants are exclusively plans of the types identified in  
 2 clause (F) or (G), regardless of the size of their assets, except  
 3 a trust that includes as participants self-directed individual  
 4 retirement accounts or similar self-directed plans;  
 5 (I) an organization described in Section 501(c)(3) of the  
 6 Internal Revenue Code (26 U.S.C. 501(c)(3)), corporation,  
 7 Massachusetts trust or similar business trust, limited liability  
 8 company, or partnership, not formed for the specific purpose  
 9 of acquiring the securities offered, with total assets in excess  
 10 of ten million dollars (\$10,000,000);  
 11 (J) a small business investment company licensed by the Small  
 12 Business Administration under Section 301(c) of the Small  
 13 Business Investment Act of 1958 (15 U.S.C. 681(c)) with total  
 14 assets in excess of ten million dollars (\$10,000,000);  
 15 (K) a private business development company, as defined in  
 16 Section 202(a)(22) of the Investment Advisers Act of 1940 (15  
 17 U.S.C. 80b-2(a)(22)) with total assets in excess of ten million  
 18 dollars (\$10,000,000);  
 19 (L) a federal covered investment adviser acting for its own  
 20 account;  
 21 (M) a "qualified institutional buyer", as defined in Rule  
 22 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under  
 23 the Securities Act of 1933 (17 CFR 230.144A);  
 24 (N) a "major U.S. institutional investor", as defined in Rule  
 25 15a-6(b)(4)(i) adopted under the Securities Exchange Act of  
 26 1934 (17 CFR 240.15a-6);  
 27 (O) any other person, other than an individual, of institutional  
 28 character with total assets in excess of ten million dollars  
 29 (\$10,000,000) not organized for the specific purpose of  
 30 evading this article; or  
 31 (P) any other person specified by rule adopted or order issued  
 32 under this article.
- 33 (12) "Insurance company" means a company organized as an  
 34 insurance company whose primary business is writing insurance  
 35 or reinsuring risks underwritten by insurance companies and  
 36 which is subject to supervision by the insurance commissioner or  
 37 a similar official or agency of a state.
- 38 (13) "Insured" means insured as to payment of all principal and  
 39 all interest.
- 40 (14) "International banking institution" means an international  
 41 financial institution of which the United States is a member and  
 42 whose securities are exempt from registration under the Securities





1 Act of 1933.  
 2 (15) "Investment adviser" means a person that, for compensation,  
 3 engages in the business of advising others, either directly or  
 4 through publications or writings, as to the value of securities or  
 5 the advisability of investing in, purchasing, or selling securities or  
 6 that, for compensation and as a part of a regular business, issues  
 7 or promulgates analyses or reports concerning securities. The  
 8 term includes a financial planner or other person that, as an  
 9 integral component of other financially related services, provides  
 10 investment advice to others for compensation as part of a business  
 11 or that holds itself out as providing investment advice to others  
 12 for compensation. The term does not include:  
 13 (A) an investment adviser representative;  
 14 (B) a lawyer, accountant, engineer, or teacher whose  
 15 performance of investment advice is solely incidental to the  
 16 practice of the person's profession;  
 17 (C) a broker-dealer or its agents whose performance of  
 18 investment advice is solely incidental to the conduct of  
 19 business as a broker-dealer and that does not receive special  
 20 compensation for the investment advice;  
 21 (D) a publisher of a bona fide newspaper, news magazine, or  
 22 business or financial publication of general and regular  
 23 circulation;  
 24 (E) a federal covered investment adviser;  
 25 (F) a bank, a savings institution, or a trust company that is a  
 26 wholly owned subsidiary of a bank or savings institution;  
 27 (G) any other person that is excluded by the Investment  
 28 Advisers Act of 1940 from the definition of investment  
 29 adviser; or  
 30 (H) any other person excluded by rule adopted or order issued  
 31 under this article.  
 32 (16) "Investment adviser representative" means an individual  
 33 employed by or associated with an investment adviser or federal  
 34 covered investment adviser and who makes any recommendations  
 35 or otherwise gives investment advice regarding securities,  
 36 manages accounts or portfolios of clients, determines which  
 37 recommendation or advice regarding securities should be given,  
 38 provides investment advice or holds herself or himself out as  
 39 providing investment advice, receives compensation to solicit,  
 40 offer, or negotiate for the sale of or for selling investment advice,  
 41 or supervises employees who perform any of the foregoing. The  
 42 term does not include an individual who:



- 1 (A) performs only clerical or ministerial acts;  
 2 (B) is an agent whose performance of investment advice is  
 3 solely incidental to the individual acting as an agent and who  
 4 does not receive special compensation for investment advisory  
 5 services;  
 6 (C) is employed by or associated with a federal covered  
 7 investment adviser, unless the individual has a "place of  
 8 business" in this state, as that term is defined by rule adopted  
 9 under Section 203A of the Investment Advisers Act of 1940  
 10 (15 U.S.C. 80b-3a), and is:  
 11 (i) an "investment adviser representative", as that term is  
 12 defined by rule adopted under Section 203A of the  
 13 Investment Advisers Act of 1940 (15 U.S.C. 80b-3a); or  
 14 (ii) not a "supervised person", as that term is defined in  
 15 Section 202(a)(25) of the Investment Advisers Act of 1940  
 16 (15 U.S.C. 80b-2(a)(25)); or  
 17 (D) is excluded by rule adopted or order issued under this  
 18 article.
- 19 (17) "Issuer" means a person that issues or proposes to issue a  
 20 security, subject to the following:  
 21 (A) The issuer of a voting trust certificate, collateral trust  
 22 certificate, certificate of deposit for a security, or share in an  
 23 investment company without a board of directors or  
 24 individuals performing similar functions is the person  
 25 performing the acts and assuming the duties of depositor or  
 26 manager under the trust or other agreement or instrument  
 27 under which the security is issued.  
 28 (B) The issuer of an equipment trust certificate or similar  
 29 security serving the same purpose is the person by which the  
 30 property is or will be used or to which the property or  
 31 equipment is or will be leased or conditionally sold or that is  
 32 otherwise contractually responsible for assuring payment of  
 33 the certificate.  
 34 (C) The issuer of a fractional undivided interest in an oil, gas,  
 35 or other mineral lease or in payments out of production under  
 36 a lease, right, or royalty is the owner of an interest in the lease  
 37 or in payments out of production under a lease, right, or  
 38 royalty, whether whole or fractional, that creates fractional  
 39 interests for the purpose of sale.
- 40 (18) "Nonissuer transaction" or "nonissuer distribution" means a  
 41 transaction or distribution not directly or indirectly for the benefit  
 42 of the issuer.



- 1 (19) "Offer to purchase" includes an attempt or offer to obtain, or  
 2 solicitation of an offer to sell, a security or interest in a security  
 3 for value. The term does not include a tender offer that is subject  
 4 to Section 14(d) of the Securities Exchange Act of 1934 (15  
 5 U.S.C. 78n(d)).
- 6 (20) "Person" means an individual; corporation; business trust;  
 7 estate; trust; partnership; limited liability company; association;  
 8 joint venture; government; governmental subdivision, agency, or  
 9 instrumentality; public corporation; or any other legal or  
 10 commercial entity.
- 11 (21) "Place of business" of a broker-dealer, an investment adviser,  
 12 or a federal covered investment adviser means:
- 13 (A) an office at which the broker-dealer, investment adviser,  
 14 or federal covered investment adviser regularly provides  
 15 brokerage or investment advice or solicits, meets with, or  
 16 otherwise communicates with customers or clients; or
- 17 (B) any other location that is held out to the general public as  
 18 a location at which the broker-dealer, investment adviser, or  
 19 federal covered investment adviser provides brokerage or  
 20 investment advice or solicits, meets with, or otherwise  
 21 communicates with customers or clients.
- 22 (22) "Predecessor act" means IC 23-2-1 (before its repeal).
- 23 (23) "Price amendment" means the amendment to a registration  
 24 statement filed under the Securities Act of 1933 or, if an  
 25 amendment is not filed, the prospectus or prospectus supplement  
 26 filed under the Securities Act of 1933 that includes a statement of  
 27 the offering price, underwriting and selling discounts or  
 28 commissions, amount of proceeds, conversion rates, call prices,  
 29 and other matters dependent upon the offering price.
- 30 (24) "Principal place of business" of a broker-dealer or an  
 31 investment adviser means the executive office of the  
 32 broker-dealer or investment adviser from which the officers,  
 33 partners, or managers of the broker-dealer or investment adviser  
 34 direct, control, and coordinate the activities of the broker-dealer  
 35 or investment adviser.
- 36 (25) "Record", except in the phrases "of record", "official record",  
 37 and "public record", means information that is inscribed on a  
 38 tangible medium or that is stored in an electronic or other medium  
 39 and is retrievable in perceivable form.
- 40 (26) "Sale" includes every contract of sale, contract to sell, or  
 41 disposition of a security or interest in a security for value, and  
 42 "offer to sell" includes every attempt or offer to dispose of, or



1 solicitation of an offer to purchase, a security or interest in a  
2 security for value. Both terms include:

3 (A) a security given or delivered with, or as a bonus on  
4 account of, a purchase of securities or any other thing  
5 constituting part of the subject of the purchase and having  
6 been offered and sold for value;

7 (B) a gift of assessable stock involving an offer and sale; and

8 (C) a sale or offer of a warrant or right to purchase or  
9 subscribe to another security of the same or another issuer and  
10 a sale or offer of a security that gives the holder a present or  
11 future right or privilege to convert the security into another  
12 security of the same or another issuer, including an offer of the  
13 other security.

14 (27) "Securities and Exchange Commission" means the United  
15 States Securities and Exchange Commission.

16 (28) "Security" means a note; stock; treasury stock; security  
17 future; bond; debenture; evidence of indebtedness; certificate of  
18 interest or participation in a profit-sharing agreement; collateral  
19 trust certificate; preorganization certificate or subscription;  
20 transferable share; investment contract; voting trust certificate;  
21 certificate of deposit for a security; fractional undivided interest  
22 in oil, gas, or other mineral rights; put, call, straddle, option, or  
23 privilege on a security, certificate of deposit, or group or index of  
24 securities, including an interest therein or based on the value  
25 thereof; put, call, straddle, option, or privilege entered into on a  
26 national securities exchange relating to foreign currency; or, in  
27 general, an interest or instrument commonly known as a  
28 "security"; or a certificate of interest or participation in, temporary  
29 or interim certificate for, receipt for, guarantee of, or warrant or  
30 right to subscribe to or purchase, any of the foregoing. The term:

31 (A) includes both a certificated and an uncertificated security;

32 (B) does not include an insurance or endowment policy or  
33 annuity contract under which an insurance company promises  
34 to pay a fixed or variable sum of money either in a lump sum  
35 or periodically for life or another specified period;

36 (C) does not include an interest in a contributory or  
37 noncontributory pension or welfare plan subject to the  
38 Employee Retirement Income Security Act of 1974;

39 (D) includes as an "investment contract" an investment in a  
40 common enterprise with the expectation of profits to be  
41 derived primarily from the efforts of a person other than the  
42 investor and a "common enterprise" means an enterprise in



- 1 which the fortunes of the investor are interwoven with those of  
 2 either the person offering the investment, a third party, or other  
 3 investors; and  
 4 (E) includes as an "investment contract", among other  
 5 contracts, an interest in a limited partnership and a limited  
 6 liability company and an investment in a viatical settlement or  
 7 similar agreement.
- 8 (29) "Self-regulatory organization" means a national securities  
 9 exchange registered under the Securities Exchange Act of 1934,  
 10 a national securities association of broker-dealers registered under  
 11 the Securities Exchange Act of 1934, a clearing agency registered  
 12 under the Securities Exchange Act of 1934, or the Municipal  
 13 Securities Rulemaking Board established under the Securities  
 14 Exchange Act of 1934.
- 15 (30) "Sign" means, with present intent to authenticate or adopt a  
 16 record:  
 17 (A) to execute or adopt a tangible symbol; or  
 18 (B) to attach or logically associate with the record an  
 19 electronic symbol, sound, or process.
- 20 (31) "State" means a state of the United States, the District of  
 21 Columbia, Puerto Rico, the United States Virgin Islands, or any  
 22 territory or insular possession subject to the jurisdiction of the  
 23 United States.
- 24 **(32) "Accredited investor" has the meaning set forth in 17**  
 25 **CFR 230.501(a).**
- 26 **(33) "Funding portal" means any person acting as an**  
 27 **intermediary in a transaction involving the offer or sale of**  
 28 **securities for the account of others, solely under**  
 29 **IC 23-19-2-2(24) that does not:**  
 30 **(A) offer investment advice or recommendations;**  
 31 **(B) solicit purchases, sales, or offers to buy the securities**  
 32 **offered or displayed on its Internet web site or portal;**  
 33 **(C) compensate employees, agents, or other persons for**  
 34 **such solicitation or based on the sale of securities displayed**  
 35 **or referenced on its Internet web site or portal;**  
 36 **(D) hold, manage, possess, or otherwise handle investor**  
 37 **funds or securities; or**  
 38 **(E) engage in other activities that the commissioner, by**  
 39 **rule, determines appropriate.**
- 40 SECTION 5. IC 23-19-2-2, AS ADDED BY P.L.27-2007,  
 41 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 UPON PASSAGE]: Sec. 2. The following transactions are exempt from



1 the requirements of IC 23-19-3-1 through IC 23-19-3-6 and  
 2 IC 23-19-5-4:

3 (1) An isolated nonissuer transaction, whether effected by or  
 4 through a broker-dealer or not.

5 (2) A nonissuer transaction by or through a broker-dealer  
 6 registered, or exempt from registration under this article, and a  
 7 resale transaction by a sponsor of a unit investment trust  
 8 registered under the Investment Company Act of 1940, in a  
 9 security of a class that has been outstanding in the hands of the  
 10 public for at least ninety (90) days, if, at the date of the  
 11 transaction:

12 (A) the issuer of the security is engaged in business, the issuer  
 13 is not in the organizational stage or in bankruptcy or  
 14 receivership, and the issuer is not a blank check, blind pool, or  
 15 shell company that has no specific business plan or purpose or  
 16 has indicated that its primary business plan is to engage in a  
 17 merger or combination of the business with, or an acquisition  
 18 of, an unidentified person;

19 (B) the security is sold at a price reasonably related to its  
 20 current market price;

21 (C) the security does not constitute the whole or part of an  
 22 unsold allotment to, or a subscription or participation by, the  
 23 broker-dealer as an underwriter of the security or a  
 24 redistribution;

25 (D) a nationally recognized securities manual or its electronic  
 26 equivalent designated by rule adopted or order issued under  
 27 this article or a record filed with the Securities and Exchange  
 28 Commission that is publicly available contains:

29 (i) a description of the business and operations of the issuer;

30 (ii) the names of the issuer's executive officers and the  
 31 names of the issuer's directors, if any;

32 (iii) an audited balance sheet of the issuer as of a date within  
 33 eighteen (18) months before the date of the transaction or, in  
 34 the case of a reorganization or merger when the parties to  
 35 the reorganization or merger each had an audited balance  
 36 sheet, a pro forma balance sheet for the combined  
 37 organization; and

38 (iv) an audited income statement for each of the issuer's two  
 39 (2) immediately previous fiscal years or for the period of  
 40 existence of the issuer, whichever is shorter, or, in the case  
 41 of a reorganization or merger when each party to the  
 42 reorganization or merger had audited income statements, a



- 1 pro forma income statement; and  
2 (E) any one (1) of the following requirements is met:  
3 (i) The issuer of the security has a class of equity securities  
4 listed on a national securities exchange registered under  
5 Section 6 of the Securities Exchange Act of 1934 or  
6 designated for trading on the National Association of  
7 Securities Dealers Automated Quotation System.  
8 (ii) The issuer of the security is a unit investment trust  
9 registered under the Investment Company Act of 1940.  
10 (iii) The issuer of the security, including its predecessors,  
11 has been engaged in continuous business for at least three  
12 (3) years.  
13 (iv) The issuer of the security has total assets of at least two  
14 million dollars (\$2,000,000) based on an audited balance  
15 sheet as of a date within eighteen (18) months before the  
16 date of the transaction or, in the case of a reorganization or  
17 merger when the parties to the reorganization or merger  
18 each had such an audited balance sheet, a pro forma balance  
19 sheet for the combined organization.  
20 (3) A nonissuer transaction by or through a broker-dealer  
21 registered or exempt from registration under this article in a  
22 security of a foreign issuer that is a margin security defined in  
23 regulations or rules adopted by the Board of Governors of the  
24 Federal Reserve System.  
25 (4) A nonissuer transaction by or through a broker-dealer  
26 registered or exempt from registration under this article in an  
27 outstanding security if the guarantor of the security files reports  
28 with the Securities and Exchange Commission under the reporting  
29 requirements of Section 13 or 15(d) of the Securities Exchange  
30 Act of 1934 (15 U.S.C. 78m or 78o(d)).  
31 (5) A nonissuer transaction by or through a broker-dealer  
32 registered or exempt from registration under this article in a  
33 security that:  
34 (A) is rated at the time of the transaction by a nationally  
35 recognized statistical rating organization in one (1) of its four  
36 (4) highest rating categories; or  
37 (B) has a fixed maturity or a fixed interest or dividend, if:  
38 (i) a default has not occurred during the current fiscal year  
39 or within the three (3) previous fiscal years, or during the  
40 existence of the issuer and any predecessor if less than three  
41 (3) fiscal years, in the payment of principal, interest, or  
42 dividends on the security; and



- 1 (ii) the issuer is engaged in business, is not in the  
 2 organizational stage or in bankruptcy or receivership, and is  
 3 not and has not been within the previous twelve (12) months  
 4 a blank check, blind pool, or shell company that has no  
 5 specific business plan or purpose or has indicated that its  
 6 primary business plan is to engage in a merger or  
 7 combination of the business with, or an acquisition of, an  
 8 unidentified person.
- 9 (6) A nonissuer transaction by or through a broker-dealer  
 10 registered or exempt from registration under this article effecting  
 11 an unsolicited order or offer to purchase.
- 12 (7) A nonissuer transaction executed by a bona fide pledgee  
 13 without the purpose of evading this article.
- 14 (8) A nonissuer transaction by a federal covered investment  
 15 adviser with investments under management in excess of one  
 16 hundred million dollars (\$100,000,000) acting in the exercise of  
 17 discretionary authority in a signed record for the account of  
 18 others.
- 19 (9) A transaction in a security, whether or not the security or  
 20 transaction is otherwise exempt, in exchange for one (1) or more  
 21 bona fide outstanding securities, claims, or property interests, or  
 22 partly in such exchange and partly for cash, if the terms and  
 23 conditions of the issuance and exchange or the delivery and  
 24 exchange and the fairness of the terms and conditions have been  
 25 approved by the commissioner after a hearing.
- 26 (10) A transaction between the issuer or other person on whose  
 27 behalf the offering is made and an underwriter, or among  
 28 underwriters.
- 29 (11) A transaction in a note, bond, debenture, or other evidence  
 30 of indebtedness secured by a mortgage or other security  
 31 agreement if:
- 32 (A) the note, bond, debenture, or other evidence of  
 33 indebtedness is offered and sold with the mortgage or other  
 34 security agreement as a unit;
- 35 (B) a general solicitation or general advertisement of the  
 36 transaction is not made; and
- 37 (C) a commission or other remuneration is not paid or given,  
 38 directly or indirectly, to a person not registered under this  
 39 article as a broker-dealer or as an agent.
- 40 (12) A transaction by an executor, administrator of an estate,  
 41 sheriff, marshal, receiver, trustee in bankruptcy, guardian, or  
 42 conservator.





- 1 (13) A sale or offer to sell to:  
2 (A) an institutional investor;  
3 (B) a federal covered investment adviser; or  
4 (C) any other person exempted by rule adopted or order issued  
5 under this article.
- 6 (14) A sale or an offer to sell securities of an issuer, if the  
7 transaction is part of a single issue in which:  
8 (A) not more than twenty-five (25) purchasers are present in  
9 this state during any twelve (12) consecutive months, other  
10 than those designated in subdivision (13);  
11 (B) a general solicitation or general advertising is not made in  
12 connection with the offer to sell or sale of the securities;  
13 (C) a commission or other remuneration is not paid or given,  
14 directly or indirectly, to a person other than a broker-dealer  
15 registered under this article or an agent registered under this  
16 article for soliciting a prospective purchaser in this state; and  
17 (D) the issuer reasonably believes that all the purchasers in  
18 this state, other than those designated in subdivision (13), are  
19 purchasing for investment.
- 20 (15) A transaction under an offer to existing security holders of  
21 the issuer, including persons that at the date of the transaction are  
22 holders of convertible securities, options, or warrants, if a  
23 commission or other remuneration, other than a standby  
24 commission, is not paid or given, directly or indirectly, for  
25 soliciting a security holder in this state.
- 26 (16) An offer to sell, but not a sale, of a security not exempt from  
27 registration under the Securities Act of 1933 if:  
28 (A) a registration or offering statement or similar record as  
29 required under the Securities Act of 1933 has been filed, but  
30 is not effective, or the offer is made in compliance with Rule  
31 165 adopted under the Securities Act of 1933 (17 CFR  
32 230.165); and  
33 (B) a stop order of which the offeror is aware has not been  
34 issued against the offeror by the commissioner or the  
35 Securities and Exchange Commission, and an audit,  
36 inspection, or proceeding that is public and that may culminate  
37 in a stop order is not known by the offeror to be pending.
- 38 (17) An offer to sell, but not a sale of, a security exempt from  
39 registration under the Securities Act of 1933 if:  
40 (A) a registration statement has been filed under this article,  
41 but is not effective;  
42 (B) a solicitation of interest is provided in a record to offerees



- 1 in compliance with a rule adopted by the commissioner under  
 2 this article; and  
 3 (C) a stop order of which the offeror is aware has not been  
 4 issued by the commissioner under this article and an audit,  
 5 inspection, or proceeding that may culminate in a stop order is  
 6 not known by the offeror to be pending.
- 7 (18) A transaction involving the distribution of the securities of  
 8 an issuer to the security holders of another person in connection  
 9 with a merger, consolidation, exchange of securities, sale of  
 10 assets, or other reorganization to which the issuer, or its parent or  
 11 subsidiary and the other person, or its parent or subsidiary, are  
 12 parties.
- 13 (19) A rescission offer, sale, or purchase under IC 23-19-5-10.
- 14 (20) An offer or sale of a security to a person not a resident of this  
 15 state and not present in this state if the offer or sale does not  
 16 constitute a violation of the laws of the state or foreign  
 17 jurisdiction in which the offeree or purchaser is present and is not  
 18 part of an unlawful plan or scheme to evade this article.
- 19 (21) Employees' stock purchase, savings, option, profit-sharing,  
 20 pension, or similar employees' benefit plan, including any  
 21 securities, plan interests, and guarantees issued under a  
 22 compensatory benefit plan or compensation contract, contained  
 23 in a record, established by the issuer, its parents, its  
 24 majority-owned subsidiaries, or the majority-owned subsidiaries  
 25 of the issuer's parent for the participation of their employees  
 26 including offers or sales of such securities to:
- 27 (A) directors; general partners; trustees, if the issuer is a  
 28 business trust; officers; consultants; and advisers;  
 29 (B) family members who acquire such securities from those  
 30 persons through gifts or domestic relations orders;  
 31 (C) former employees, directors, general partners, trustees,  
 32 officers, consultants, and advisers if those individuals were  
 33 employed by or providing services to the issuer when the  
 34 securities were offered; and  
 35 (D) insurance agents who are exclusive insurance agents of the  
 36 issuer, or the issuer's subsidiaries or parents, or who derive  
 37 more than fifty percent (50%) of their annual income from  
 38 those organizations.
- 39 (22) A transaction involving:  
 40 (A) a stock dividend or equivalent equity distribution, whether  
 41 the corporation or other business organization distributing the  
 42 dividend or equivalent equity distribution is the issuer or not,



- 1 if nothing of value is given by stockholders or other equity  
 2 holders for the dividend or equivalent equity distribution other  
 3 than the surrender of a right to a cash or property dividend if  
 4 each stockholder or other equity holder may elect to take the  
 5 dividend or equivalent equity distribution in cash, property, or  
 6 stock;
- 7 (B) an act incident to a judicially approved reorganization in  
 8 which a security is issued in exchange for one (1) or more  
 9 outstanding securities, claims, or property interests, or partly  
 10 in such exchange and partly for cash; or
- 11 (C) the solicitation of tenders of securities by an offeror in a  
 12 tender offer in compliance with Rule 162 adopted under the  
 13 Securities Act of 1933 (17 CFR 230.162).
- 14 (23) A nonissuer transaction in an outstanding security by or  
 15 through a broker-dealer registered or exempt from registration  
 16 under this article, if the issuer is a reporting issuer in a foreign  
 17 jurisdiction designated by this subdivision or by rule adopted or  
 18 order issued under this article; has been subject to continuous  
 19 reporting requirements in the foreign jurisdiction for not less than  
 20 one hundred eighty (180) days before the transaction; and the  
 21 security is listed on the foreign jurisdiction's securities exchange  
 22 that has been designated by this subdivision or by rule adopted or  
 23 order issued under this article, or is a security of the same issuer  
 24 that is of senior or substantially equal rank to the listed security  
 25 or is a warrant or right to purchase or subscribe to any of the  
 26 foregoing. For purposes of this subdivision, Canada, together with  
 27 its provinces and territories, is a designated foreign jurisdiction  
 28 and The Toronto Stock Exchange, Inc., is a designated securities  
 29 exchange. After an administrative hearing in compliance with this  
 30 article, the commissioner, by rule adopted or order issued under  
 31 this article, may revoke the designation of a securities exchange  
 32 under this subdivision, if the commissioner finds that revocation  
 33 is necessary or appropriate in the public interest and for the  
 34 protection of investors.
- 35 **(24) An offer or sale of a security made after June 30, 2014,**  
 36 **involving the offer or sale of securities by an issuer (including**  
 37 **all entities controlled by or under common control with the**  
 38 **issuer), if:**
- 39 **(A) the aggregate amount sold to all investors by the issuer,**  
 40 **including any amount sold in reliance on the exemption**  
 41 **provided under this subdivision during the twelve (12)**  
 42 **month period preceding the date of the transaction, is not**



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more than one million dollars (\$1,000,000), as adjusted under section 2.3(d) of this chapter;

(B) the aggregate amount sold to any investor by an issuer, including any amount sold in reliance on the exemption provided under this subdivision during the twelve (12) month period preceding the date of the transaction, does not exceed, as adjusted under section 2.3 of this chapter:

(i) the greater of two thousand dollars (\$2,000) or five percent (5%) of the annual income or net worth of the investor, as applicable, if either the annual income or the net worth of the investor is less than one hundred thousand dollars (\$100,000); and

(ii) ten percent (10%) of the annual income or net worth of the investor, as applicable, not to exceed a maximum aggregate amount sold of one hundred thousand dollars (\$100,000), if either the annual income or net worth of the investor is equal to or more than one hundred thousand dollars (\$100,000);

(C) the transaction is conducted through a broker or funding portal that complies with section 2.3(a) of this chapter;

(D) the issuer complies with section 2.3(b) of this chapter;

(E) transfer of the securities is restricted as specified in section 2.3(c) of this chapter;

(F) the fees required by the commissioner are paid; and

(G) none of the following apply to the issuer:

(i) The issuer is not organized under and subject to the laws of a state or territory of the United States or the District of Columbia.

(ii) The issuer is subject to the requirement to file reports under Section 13 or section 15(d) of the Securities Exchange Act of 1934.

(iii) The issuer is an investment company, as defined in Section 3 of the Investment Company Act of 1940, or is excluded from the definition of investment company by Section 3(b) or 3(c) of that act.

(iv) The commissioner, by rule, in the commissioner's discretion determines that application of the exemption to an issuer or a transaction is inappropriate.

SECTION 6. IC 23-19-2-2.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.3. (a) A person acting as an intermediary



1 in a transaction involving the offer or sale of securities for the  
2 account of others under section 2(24) of this chapter shall:

3 (1) register with the commissioner as:

4 (A) a broker-dealer; or

5 (B) a funding portal;

6 (2) register with any applicable self-regulatory organization  
7 (as defined in Section 3(a)(26) of the Securities Exchange Act  
8 of 1934);

9 (3) provide disclosures, including disclosures related to risks  
10 and other investor education materials that the commissioner  
11 shall, by rule, determine appropriate;

12 (4) ensure that each investor:

13 (A) reviews investor-education information, in accordance  
14 with standards established by the commissioner, by rule;

15 (B) positively affirms that the investor understands that  
16 the investor is risking the loss of the entire investment, and  
17 that the investor could bear the loss; and

18 (C) answers questions demonstrating:

19 (i) an understanding of the level of risk generally  
20 applicable to investments in startups, emerging  
21 businesses, and small issuers;

22 (ii) an understanding of the risk of illiquidity; and

23 (iii) an understanding of such other matters as the  
24 commissioner determines appropriate, by rule;

25 (5) take the measures to reduce the risk of fraud with respect  
26 to the transactions, as established by the commissioner, by  
27 rule, including obtaining a background and securities  
28 enforcement regulatory history check on each officer,  
29 director, and person holding more than twenty percent (20%)  
30 of the outstanding equity of every issuer whose securities are  
31 offered by the person;

32 (6) not later than twenty-one (21) days before the first day on  
33 which securities are sold to any investor (or any other period  
34 as the commissioner may establish), make available to the  
35 commissioner and to potential investors any information  
36 provided by the issuer under subsection (b);

37 (7) ensure that all offering proceeds are only provided to the  
38 issuer when the aggregate capital raised from all investors is  
39 equal to or greater than a target offering amount, and allow  
40 all investors to cancel their commitments to invest, as the  
41 commissioner shall, by rule, determine appropriate;

42 (8) make the efforts that the commissioner determines



1 appropriate, by rule, to ensure that no investor in a twelve  
 2 (12) month period has purchased securities offered under  
 3 section 2(24) of this chapter that, in the aggregate, from all  
 4 issuers, exceed the investment limits set forth in section 2(24)  
 5 of this chapter;

6 (9) take the steps to protect the privacy of information  
 7 collected from investors that the commissioner, by rule,  
 8 determines appropriate;

9 (10) not compensate promoters, finders, or lead generators for  
 10 providing the broker-dealer or funding portal with the  
 11 personal identifying information of any potential investor;

12 (11) prohibit its directors, officers, or partners (or any person  
 13 occupying a similar status or performing a similar function)  
 14 from having any financial interest in an issuer using its  
 15 services; and

16 (12) meet such other requirements that the commissioner  
 17 may, by rule, prescribe, for the protection of investors and in  
 18 the public interest.

19 (b) For purposes of section 2(24) of this chapter, an issuer who  
 20 offers or sells securities shall:

21 (1) file with the commissioner and provide to investors and  
 22 the relevant broker-dealer or funding portal, and make  
 23 available to potential investors:

24 (A) the name, legal status, physical address, and Internet  
 25 web site address of the issuer;

26 (B) the names of the directors and officers (and any  
 27 persons occupying a similar status or performing a similar  
 28 function), and each person holding more than twenty  
 29 percent (20%) of the shares of the issuer;

30 (C) a description of the business of the issuer and the  
 31 anticipated business plan of the issuer;

32 (D) a description of the financial condition of the issuer,  
 33 including, for offerings that, together with all other  
 34 offerings of the issuer under section 2(24) of this chapter  
 35 within the preceding twelve (12) month period, have, in the  
 36 aggregate, target offering amounts of:

37 (i) one hundred thousand dollars (\$100,000) or less, the  
 38 income tax returns filed by the issuer for the most  
 39 recently completed year (if any) and financial statements  
 40 of the issuer, which shall be certified by the principal  
 41 executive officer of the issuer to be true and complete in  
 42 all material respects;



- 1 (ii) more than one hundred thousand dollars (\$100,000)  
 2 but not more than five hundred thousand dollars  
 3 (\$500,000), financial statements reviewed by a certified  
 4 public accountant who is independent of the issuer, using  
 5 professional standards and procedures for the review or  
 6 standards and procedures established by the  
 7 commissioner, by rule, for the purpose; and  
 8 (iii) more than five hundred thousand dollars (\$500,000)  
 9 (or such other amount as the commissioner may  
 10 establish, by rule), audited financial statements;  
 11 (E) a description of the stated purpose and intended use of  
 12 the proceeds of the offering sought by the issuer with  
 13 respect to the target offering amount;  
 14 (F) the target offering amount, the deadline to reach the  
 15 target offering amount, and regular updates regarding the  
 16 progress of the issuer in meeting the target offering  
 17 amount;  
 18 (G) the price to the public of the securities or the method  
 19 for determining the price, if, before sale, each investor  
 20 shall be provided in writing the final price and all required  
 21 disclosures, with a reasonable opportunity to rescind the  
 22 commitment to purchase the securities;  
 23 (H) a description of the ownership and capital structure of  
 24 the issuer, including:  
 25 (i) terms of the securities of the issuer being offered and  
 26 each other class of security of the issuer, including how  
 27 such terms may be modified, and a summary of the  
 28 differences between such securities, including how the  
 29 rights of the securities being offered may be materially  
 30 limited, diluted, or qualified by the rights of any other  
 31 class of security of the issuer;  
 32 (ii) a description of how the exercise of the rights held by  
 33 the principal shareholders of the issuer could negatively  
 34 impact the purchasers of the securities being offered;  
 35 (iii) the name and ownership level of each existing  
 36 shareholder that owns more than twenty percent (20%)  
 37 of any class of the securities of the issuer;  
 38 (iv) how the securities being offered are being valued,  
 39 and examples of methods for how such securities may be  
 40 valued by the issuer in the future, including during  
 41 subsequent corporate actions; and  
 42 (v) the risks to purchasers of the securities relating to



- 1 minority ownership in the issuer, the risks associated  
 2 with corporate actions, including additional issuances of  
 3 shares, a sale of the issuer or of assets of the issuer, or  
 4 transactions with related parties; and  
 5 (I) the other information that the commissioner may, by  
 6 rule, prescribe for the protection of investors and in the  
 7 public interest;  
 8 (2) not advertise the terms of the offering, except for notices  
 9 which direct investors to the funding portal or broker;  
 10 (3) not compensate or commit to compensate, directly or  
 11 indirectly, any person to promote its offerings through  
 12 communication channels provided by a broker or funding  
 13 portal, without taking the steps that the commissioner, by  
 14 rule, requires to ensure that the person clearly discloses the  
 15 receipt, past or prospective, of the compensation, upon each  
 16 instance of the promotional communication;  
 17 (4) at least annually, file with the commissioner and provide  
 18 to investors reports of the results of operations and financial  
 19 statements of the issuer, as the commission, by rule,  
 20 determines appropriate, subject to the exceptions and  
 21 termination dates that the commissioner may establish, by  
 22 rule; and  
 23 (5) comply with any other requirements that the  
 24 commissioner may, by rule, prescribe for the protection of  
 25 investors and in the public interest.  
 26 (c) Securities issued under a transaction described in section  
 27 2(24) of this chapter:  
 28 (1) may not be transferred by the purchaser of the securities  
 29 during the one (1) year period beginning on the date of  
 30 purchase, unless the securities are transferred:  
 31 (A) to the issuer of the securities;  
 32 (B) to an accredited investor;  
 33 (C) as part of an offering registered with the  
 34 commissioner; or  
 35 (D) to a member of the family of the purchaser or the  
 36 equivalent, or in connection with the death or divorce of  
 37 the purchaser or other similar circumstance, in the  
 38 discretion of the commissioner; and  
 39 (2) are subject to any other limitations that the commissioner,  
 40 by rule, establishes.  
 41 (d) The commissioner shall adjust the dollar amounts and  
 42 income and net worth amounts specified in this section and section





- 1       **2(24) of this chapter as follows:**
- 2           **(1) Dollar amounts shall be adjusted by the commissioner not**
- 3           **less frequently than once in 2019 and in every five (5) years**
- 4           **thereafter, by notice published in the Indiana Register to**
- 5           **reflect any change in the Consumer Price Index for All Urban**
- 6           **Consumers published by the Bureau of Labor Statistics.**
- 7           **(2) Income and net worth of a natural person shall be**
- 8           **calculated in accordance with any rules of the commissioner**
- 9           **regarding the calculation of the income and net worth,**
- 10          **respectively, of an accredited investor by the federal**
- 11          **Securities and Exchange Commission.**
- 12          **(e) The commissioner may, by rule, exempt a funding portal**
- 13          **from some or all of the requirements otherwise applicable to a**
- 14          **broker-dealer.**
- 15          **(f) The commissioner may adopt emergency rules under**
- 16          **IC 4-22-2-37.1 to implement this section and section 2(24) of this**
- 17          **chapter.**
- 18          **SECTION 7. An emergency is declared for this act.**

