

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## HOUSE ENROLLED ACT No. 1526

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AN ACT to amend the Indiana Code concerning business and other associations.

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

SECTION 1. IC 4-23-30-4, AS ADDED BY P.L.16-2009, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. Subject to section 5 of this chapter, the task force shall meet **each month quarterly, with additional meetings scheduled as needed by the task force chair**, to:

- (1) coordinate the state's efforts to:
  - (A) regulate the various participants involved in originating, issuing, and closing home loans;
  - (B) enforce state laws and rules concerning mortgage lending practices and mortgage fraud; and
  - (C) prevent fraudulent practices in the home loan industry; and
- (2) share information and resources necessary for the efficient administration of the tasks set forth in subdivision (1), unless prohibited by law.

SECTION 2. IC 23-19-2-2, AS AMENDED BY P.L.160-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. The following transactions are exempt from the requirements of IC 23-19-3-1 through IC 23-19-3-6 and IC 23-19-5-4:

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

**HEA 1526 — Concur**



registered, or exempt from registration under this article, and a resale transaction by a sponsor of a unit investment trust registered under the Investment Company Act of 1940, in a security of a class that has been outstanding in the hands of the public for at least ninety (90) days, if, at the date of the transaction:

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

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

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

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

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

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

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

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

(E) any one (1) of the following requirements is met:

(i) The issuer of the security has a class of equity securities listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934 or



designated for trading on the National Association of Securities Dealers Automated Quotation System.

(ii) The issuer of the security is a unit investment trust registered under the Investment Company Act of 1940.

(iii) The issuer of the security, including its predecessors, has been engaged in continuous business for at least three (3) years.

(iv) The issuer of the security has total assets of at least two million dollars (\$2,000,000) based on an audited balance sheet as of a date within eighteen (18) months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had such an audited balance sheet, a pro forma balance sheet for the combined organization.

(3) A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this article in a security of a foreign issuer that is a margin security defined in regulations or rules adopted by the Board of Governors of the Federal Reserve System.

(4) A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this article in an outstanding security if the guarantor of the security files reports with the Securities and Exchange Commission under the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)).

(5) A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this article in a security that:

(A) is rated at the time of the transaction by a nationally recognized statistical rating organization in one (1) of its four (4) highest rating categories; or

(B) has a fixed maturity or a fixed interest or dividend, if:

(i) a default has not occurred during the current fiscal year or within the three (3) previous fiscal years, or during the existence of the issuer and any predecessor if less than three (3) fiscal years, in the payment of principal, interest, or dividends on the security; and

(ii) the issuer is engaged in business, is not in the organizational stage or in bankruptcy or receivership, and is not and has not been within the previous twelve (12) months a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its



primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person.

- (6) A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this article effecting an unsolicited order or offer to purchase.
- (7) A nonissuer transaction executed by a bona fide pledgee without the purpose of evading this article.
- (8) A nonissuer transaction by a federal covered investment adviser with investments under management in excess of one hundred million dollars (\$100,000,000) acting in the exercise of discretionary authority in a signed record for the account of others.
- (9) A transaction in a security, whether or not the security or transaction is otherwise exempt, in exchange for one (1) or more bona fide outstanding securities, claims, or property interests, or partly in such exchange and partly for cash, if the terms and conditions of the issuance and exchange or the delivery and exchange and the fairness of the terms and conditions have been approved by the commissioner after a hearing.
- (10) A transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters.
- (11) A transaction in a note, bond, debenture, or other evidence of indebtedness secured by a mortgage or other security agreement if:
  - (A) the note, bond, debenture, or other evidence of indebtedness is offered and sold with the mortgage or other security agreement as a unit;
  - (B) a general solicitation or general advertisement of the transaction is not made; and
  - (C) a commission or other remuneration is not paid or given, directly or indirectly, to a person not registered under this article as a broker-dealer or as an agent.
- (12) A transaction by an executor, administrator of an estate, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator.
- (13) A sale or offer to sell to:
  - (A) an institutional investor;
  - (B) a federal covered investment adviser; or
  - (C) any other person exempted by rule adopted or order issued under this article.



(14) A sale or an offer to sell securities of an issuer, if the transaction is part of a single issue in which:

(A) not more than twenty-five (25) purchasers are present in this state during any twelve (12) consecutive months, other than those designated in subdivision (13);

(B) a general solicitation or general advertising is not made in connection with the offer to sell or sale of the securities;

(C) a commission or other remuneration is not paid or given, directly or indirectly, to a person other than a broker-dealer registered under this article or an agent registered under this article for soliciting a prospective purchaser in this state; and

(D) the issuer reasonably believes that all the purchasers in this state, other than those designated in subdivision (13), are purchasing for investment.

(15) A transaction under an offer to existing security holders of the issuer, including persons that at the date of the transaction are holders of convertible securities, options, or warrants, if a commission or other remuneration, other than a standby commission, is not paid or given, directly or indirectly, for soliciting a security holder in this state.

(16) An offer to sell, but not a sale, of a security not exempt from registration under the Securities Act of 1933 if:

(A) a registration or offering statement or similar record as required under the Securities Act of 1933 has been filed, but is not effective, or the offer is made in compliance with Rule 165 adopted under the Securities Act of 1933 (17 CFR 230.165); and

(B) a stop order of which the offeror is aware has not been issued against the offeror by the commissioner or the Securities and Exchange Commission, and an audit, inspection, or proceeding that is public and that may culminate in a stop order is not known by the offeror to be pending.

(17) An offer to sell, but not a sale of, a security exempt from registration under the Securities Act of 1933 if:

(A) a registration statement has been filed under this article, but is not effective;

(B) a solicitation of interest is provided in a record to offerees in compliance with a rule adopted by the commissioner under this article; and

(C) a stop order of which the offeror is aware has not been issued by the commissioner under this article and an audit, inspection, or proceeding that may culminate in a stop order is



not known by the offeror to be pending.

(18) A transaction involving the distribution of the securities of an issuer to the security holders of another person in connection with a merger, consolidation, exchange of securities, sale of assets, or other reorganization to which the issuer, or its parent or subsidiary and the other person, or its parent or subsidiary, are parties.

(19) A rescission offer, sale, or purchase under IC 23-19-5-10.

(20) An offer or sale of a security to a person not a resident of this state and not present in this state if the offer or sale does not constitute a violation of the laws of the state or foreign jurisdiction in which the offeree or purchaser is present and is not part of an unlawful plan or scheme to evade this article.

(21) Employees' stock purchase, savings, option, profit-sharing, pension, or similar employees' benefit plan, including any securities, plan interests, and guarantees issued under a compensatory benefit plan or compensation contract, contained in a record, established by the issuer, its parents, its majority-owned subsidiaries, or the majority-owned subsidiaries of the issuer's parent for the participation of their employees including offers or sales of such securities to:

(A) directors; general partners; trustees, if the issuer is a business trust; officers; consultants; and advisers;

(B) family members who acquire such securities from those persons through gifts or domestic relations orders;

(C) former employees, directors, general partners, trustees, officers, consultants, and advisers if those individuals were employed by or providing services to the issuer when the securities were offered; and

(D) insurance agents who are exclusive insurance agents of the issuer, or the issuer's subsidiaries or parents, or who derive more than fifty percent (50%) of their annual income from those organizations.

(22) A transaction involving:

(A) a stock dividend or equivalent equity distribution, whether the corporation or other business organization distributing the dividend or equivalent equity distribution is the issuer or not, if nothing of value is given by stockholders or other equity holders for the dividend or equivalent equity distribution other than the surrender of a right to a cash or property dividend if each stockholder or other equity holder may elect to take the dividend or equivalent equity distribution in cash, property, or



stock;

(B) an act incident to a judicially approved reorganization in which a security is issued in exchange for one (1) or more outstanding securities, claims, or property interests, or partly in such exchange and partly for cash; or

(C) the solicitation of tenders of securities by an offeror in a tender offer in compliance with Rule 162 adopted under the Securities Act of 1933 (17 CFR 230.162).

(23) A nonissuer transaction in an outstanding security by or through a broker-dealer registered or exempt from registration under this article, if the issuer is a reporting issuer in a foreign jurisdiction designated by this subdivision or by rule adopted or order issued under this article; has been subject to continuous reporting requirements in the foreign jurisdiction for not less than one hundred eighty (180) days before the transaction; and the security is listed on the foreign jurisdiction's securities exchange that has been designated by this subdivision or by rule adopted or order issued under this article, or is a security of the same issuer that is of senior or substantially equal rank to the listed security or is a warrant or right to purchase or subscribe to any of the foregoing. For purposes of this subdivision, Canada, together with its provinces and territories, is a designated foreign jurisdiction and The Toronto Stock Exchange, Inc., is a designated securities exchange. After an administrative hearing in compliance with this article, the commissioner, by rule adopted or order issued under this article, may revoke the designation of a securities exchange under this subdivision, if the commissioner finds that revocation is necessary or appropriate in the public interest and for the protection of investors.

(24) Subject to the following, an offer or sale of securities by an issuer made after June 30, 2014, only to persons who are or the issuer reasonably believes are accredited investors:

(A) The exemption under this subdivision is not available to an issuer that is in the development stage that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with:

- (i) an unidentified company or companies; or
- (ii) another entity or person.

(B) The issuer reasonably believes that all purchasers are purchasing for investment and not with the view to or for sale in connection with a distribution of the security. Any resale of a security sold in reliance on the exemption under this



subdivision within twelve (12) months after sale is presumed to be with a view to distribution and not for investment, except:

- (i) a resale under a registration statement effective under IC 23-19-3; or
- (ii) a resale to an accredited investor under an exemption available under the Indiana Uniform Securities Act.

(C) Except as provided in clause (D), the exemption under this subdivision is not available to an issuer if the issuer, any of the issuer's predecessors, any affiliated issuer, any of the issuer's directors, officers, general partners, beneficial owners of ten percent (10%) or more of any class of its equity securities, any of the issuer's promoters presently connected with the issuer in any capacity, any underwriter of the securities to be offered, or any partner, director, or officer of the underwriter:

- (i) within the last five (5) years, has filed a registration statement that is the subject of a currently effective registration stop order entered by any state securities administrator or the Securities and Exchange Commission;
- (ii) within the last five (5) years, has been convicted of any criminal offense in connection with the offer, purchase, or sale of any security, or any criminal offense involving fraud or deceit;
- (iii) is currently subject to any state or federal administrative enforcement order or judgment entered within the last five (5) years, finding fraud or deceit in connection with the purchase or sale of any security; or
- (iv) is currently subject to any order, judgment, or decree of any court with jurisdiction, entered within the last five (5) years, temporarily, preliminarily, or permanently restraining or enjoining the party from engaging in or continuing to engage in any conduct or practice involving fraud or deceit in connection with the purchase or sale of any security.

(D) Clause (C) does not apply if:

- (i) the party subject to the disqualification is licensed or registered to conduct securities related business in the state in which the order, judgment, or decree creating the disqualification was entered against the party;
- (ii) before the first offer under the exemption described in this subdivision, the state securities administrator, or the court or regulatory authority that entered the order, judgment, or decree, waives the disqualification; or





(iii) the issuer establishes that it did not know and in the exercise of reasonable care, based on a factual inquiry, could not have known that a disqualification existed under this subdivision.

(E) A general announcement of the proposed offering may be made by any means. A general announcement described in this clause must include only the following information, unless additional information is specifically permitted by the commissioner:

(i) The name, address, and telephone number of the issuer of the securities.

(ii) The name, a brief description, and price (if known) of any security to be issued.

(iii) A brief description of the business of the issuer in twenty-five (25) words or less.

(iv) The type, number, and aggregate amount of securities being offered.

(v) The name, address, and telephone number of the person to contact for additional information.

(vi) A statement that indicates that sales will be made only to accredited investors, that no money or other consideration is being solicited or will be accepted by way of the general announcement, that the securities have not been registered with or approved by any state securities agency or the Securities and Exchange Commission, and that the securities are being offered and sold under an exemption from registration.

(F) The issuer, in connection with an offer, may provide information in addition to the general announcement under clause (E), if the information:

(i) is delivered through an electronic data base that is restricted to persons who have been prequalified as accredited investors; or

(ii) is delivered after the issuer reasonably believes that the prospective purchaser is an accredited investor.

(G) No telephone solicitation is permitted unless before placing the call, the issuer reasonably believes that the prospective purchaser to be solicited is an accredited investor.

(H) Dissemination of the general announcement of the proposed offering to persons who are not accredited investors does not disqualify the issuer from claiming the exemption under this subdivision.



- (I) The issuer shall file with the division a notice of transaction, a consent to service of process, a copy of the general announcement, and a fee established by the commissioner within fifteen (15) days after the first sale in Indiana.
- (25) An offer to sell or a sale of a security of an issuer made after June 30, 2014, if:
- (A) the transaction is part of a single issue in which:
    - (i) the offer or sale is made in compliance with 17 CFR 230.504, 17 CFR 230.505, and 17 CFR 230.506, including any offer or sale made exempt by the application of 17 CFR 508(a);
    - (ii) the issuer is required to submit a notice filing on a Form D, **as promulgated by the Securities and Exchange Commission to the commissioner together with a consent to service of process complying with IC 23-19-6-11, signed by the issuer**, not later than fifteen (15) days after the first sale of securities in this state; and
    - (iii) by submitting the notice described in item (ii), the issuer agrees, upon written request by the commissioner, to furnish to the commissioner any information the issuer furnished to offerees;
  - (B) for offerings made in compliance with 17 CFR 230.504, no commission, fee, or other remuneration is paid or given, directly or indirectly, to any broker-dealer for soliciting any prospective purchaser in this state unless the broker-dealer is appropriately registered under this article. It is a defense to a violation of this clause if the issuer sustains the burden of proof that the issuer did not know and, in the exercise of reasonable care could not have known, that the person who received the commission, fee, or other remuneration was not properly registered; and
  - (C) in all sales to purchasers other than those described in subdivision (13) for offerings made in compliance with 17 CFR 230.504, at least one (1) of the following is satisfied:
    - (i) The investment is suitable for the purchaser upon the basis of facts, if any facts are disclosed by the purchaser, as to the purchaser's other securities holdings, financial situation, and needs. For purposes of this item only, it is presumed that, if the investment does not exceed ten percent (10%) of the investor's net worth, the investment is suitable.
    - (ii) The purchaser, either alone or with the purchaser's



representative or representatives, has the knowledge and experience in financial and business matters that demonstrate that the purchaser is capable of evaluating the merits and risks of the prospective investment.

(26) Any offer or sale of securities after June 30, 2014, by an issuer that meets the requirements of the federal exemption for intrastate offerings in Section 3(a)(11) of the Securities Act of 1933, 15 U.S.C. 77c(a)(11), and Securities and Exchange Commission Rule 147, 17 CFR 230.147. However, all the following apply:

(A) The issuer must make a notice filing with the division on a form prescribed by the commissioner within thirty (30) days after the first sale in Indiana.

(B) Any commission, discount, or other remuneration for sales of securities in Indiana must be paid or given only to dealers or salespersons licensed under this article.

(C) The issuer must pay the fee established by the commissioner. However, no filing fee is required to file amendments to the form described in clause (A).

(D) Within ten (10) days of receiving the form required by this subdivision, the commissioner may require the issuer to furnish any additional information considered necessary by the commissioner to determine the issuer's qualifications.

(27) An offer or sale of a security made after June 30, 2014, by an issuer if the offer or sale is conducted in accordance with all the following requirements:

(A) The issuer of the security is a business entity organized under the laws of Indiana and authorized to do business in Indiana.

(B) The transaction meets the requirements of the federal exemption for intrastate offerings in Section 3(a)(11) of the Securities Act of 1933 (15 U.S.C. 77c(a)(11)) and Rule 147 adopted under the Securities Act of 1933 (17 CFR 230.147).

(C) Except as provided in clause (E), the sum of all cash and other consideration to be received for all sales of the security in reliance on the exemption under this subdivision, excluding sales to any accredited investor or institutional investor, does not exceed the following amount:

(i) If the issuer has not undergone and made available to each prospective investor and the commissioner the documentation resulting from a financial audit of its most recently completed fiscal year that complies with generally



accepted accounting principles, one million dollars (\$1,000,000), less the aggregate amount received for all sales of securities by the issuer within the twelve (12) months before the first offer or sale made in reliance on the exemption under this subdivision.

(ii) If the issuer has undergone and made available to each prospective investor and the commissioner the documentation resulting from a financial audit of its most recently completed fiscal year that complies with generally accepted accounting principles, two million dollars (\$2,000,000), less the aggregate amount received for all sales of securities by the issuer within the twelve (12) months before the first offer or sale made in reliance on the exemption under this subdivision.

(D) An offer or sale to an officer, director, partner, trustee, or individual occupying similar status or performing similar functions with respect to the issuer or to a person owning ten percent (10%) or more of the outstanding shares of any class or classes of securities of the issuer does not count toward the monetary limitations in clause (C).

(E) The issuer does not accept more than five thousand dollars (\$5,000) from any single purchaser unless the purchaser is an accredited investor.

(F) Unless waived by written consent by the commissioner, not less than ten (10) days before the commencement of an offering of securities in reliance on the exemption under this subdivision, the issuer must do all the following:

(i) Make a notice filing with the division on a form prescribed by the commissioner.

(ii) Pay the fee established by the commissioner. However, no filing fee is required to file amendments to the form described in item (i).

(iii) Provide the commissioner a copy of the disclosure document to be provided to prospective investors under clause (L).

(iv) Provide the commissioner a copy of an escrow agreement with a bank, regulated trust company or corporate fiduciary, savings bank, savings and loan association, or credit union authorized to do business in Indiana in which the issuer will deposit the investor funds or cause the investor funds to be deposited. The bank, regulated trust company or corporate fiduciary, savings bank, savings and



loan association, or credit union in which the investor funds are deposited is only responsible to act at the direction of the party establishing the escrow agreement and does not have any duty or liability, contractual or otherwise, to any investor or other person.

(v) The issuer shall not access the escrow funds until the aggregate funds raised from all investors equals or exceeds the minimum amount specified in the escrow agreement.

(vi) An investor may cancel the investor's commitment to invest if the target offering amount is not raised before the time stated in the escrow agreement.

(G) The issuer is not, either before or as a result of the offering, an investment company, as defined in Section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3), an entity that would be an investment company but for the exclusions provided in Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)), or subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 15 U.S.C. 78o(d)).

(H) The issuer informs all prospective purchasers of securities offered under an exemption under this subdivision that the securities have not been registered under federal or state securities law and that the securities are subject to limitations on resale. The issuer shall display the following legend conspicuously on the cover page of the disclosure document:

"IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION (e) OF SEC RULE 147 (17 CFR 230.147(e)) AS PROMULGATED UNDER THE



SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

(I) The issuer requires each purchaser to certify in writing or electronically as follows:

"I UNDERSTAND AND ACKNOWLEDGE THAT I am investing in a high-risk, speculative business venture. I may lose all of my investment, or under some circumstances more than my investment, and I can afford this loss. This offering has not been reviewed or approved by any state or federal securities commission or division or other regulatory authority and no such person or authority has confirmed the accuracy or determined the adequacy of any disclosure made to me relating to this offering. The securities I am acquiring in this offering are illiquid, there is no ready market for the sale of such securities, it may be difficult or impossible for me to sell or otherwise dispose of this investment, and, accordingly, I may be required to hold this investment indefinitely. I may be subject to tax on my share of the taxable income and losses of the company, whether or not I have sold or otherwise disposed of my investment or received any dividends or other distributions from the company."

(J) The issuer obtains from each purchaser of a security offered under an exemption under this subdivision evidence that the purchaser is a resident of Indiana and, if applicable, is an accredited investor.

(K) All payments for purchase of securities offered under an exemption under this subdivision are directed to and held by the financial institution specified in clause (F)(iv). The commissioner may request from the financial institutions information necessary to ensure compliance with this section. This information is not a public record and is not available for public inspection.

(L) The issuer of securities offered under an exemption under this subdivision provides a disclosure document to each prospective investor at the time the offer of securities is made to the prospective investor that contains all the following:



- (i) A description of the company, its type of entity, the address and telephone number of its principal office, its history, its business plan, and the intended use of the offering proceeds, including any amounts to be paid, as compensation or otherwise, to any owner, executive officer, director, managing member, or other person occupying a similar status or performing similar functions on behalf of the issuer.
- (ii) The identity of all persons owning more than twenty percent (20%) of the ownership interests of any class of securities of the company.
- (iii) The identity of the executive officers, directors, managing members, and other persons occupying a similar status or performing similar functions in the name of and on behalf of the issuer, including their titles and their prior experience.
- (iv) The terms and conditions of the securities being offered and of any outstanding securities of the company; the minimum and maximum amount of securities being offered, if any; either the percentage ownership of the company represented by the offered securities or the valuation of the company implied by the price of the offered securities; the price per share, unit, or interest of the securities being offered; any restrictions on transfer of the securities being offered; and a disclosure of any anticipated future issuance of securities that might dilute the value of securities being offered.
- (v) The identity of any person who has been or will be retained by the issuer to assist the issuer in conducting the offering and sale of the securities, including any Internet web site operator but excluding persons acting solely as accountants or attorneys and employees whose primary job responsibilities involve the operating business of the issuer rather than assisting the issuer in raising capital.
- (vi) For each person identified as required in this clause, a description of the consideration being paid to the person for such assistance.
- (vii) A description of any litigation, legal proceedings, or pending regulatory action involving the company or its management.
- (viii) The names and addresses, including the Uniform Resource Locator, of each Internet web site that will be used



by the issuer to offer or sell securities under an exemption under this subdivision.

(ix) Any additional information material to the offering, including, if appropriate, a discussion of significant factors that make the offering speculative or risky. This discussion must be concise and organized logically and may not be limited to risks that could apply to any issuer or any offering.

(M) The exemption under this subdivision may not be used in conjunction with any other exemption under this article, except for offers and sales to individuals identified in the disclosure document, during the immediately preceding twelve (12) month period.

(N) The exemption described in this subdivision does not apply if an issuer or person affiliated with the issuer or offering is subject to disqualification established by the commissioner by rule or contained in the Securities Act of 1933 (15 U.S.C. 77c(a)(11)) and Rule 262 adopted under the Securities Act of 1933 (17 CFR 230.262). However, this clause does not apply if both of the following are met:

(i) On a showing of good cause and without prejudice to any other action by the commissioner, the commissioner determines that it is not necessary under the circumstances that an exemption is denied.

(ii) The issuer establishes that it made a factual inquiry into whether any disqualification existed under this subdivision but did not know, and in the exercise of reasonable care, could not have known that a disqualification existed under this subdivision. The nature and scope of the requisite inquiry will vary based on the circumstances of the issuer and the other offering participants.

(O) The offering exempted under this subdivision is made exclusively through one (1) or more Internet web sites and each Internet web site is subject to the following:

(i) Before any offer or sale of securities, the issuer must provide to the Internet web site operator evidence that the issuer is organized under the laws of Indiana and is authorized to do business in Indiana.

(ii) Subject to items (iii) and (v), the Internet web site operator must register with the division by filing a statement, accompanied by the filing fee established by the commissioner, that includes all the information described in section 2.3(b) of this chapter.





(iii) The Internet web site operator is not required to register as a broker-dealer if all the conditions in section 2.3(c) of this chapter apply with respect to the Internet web site and its operator.

(iv) If any change occurs that affects the Internet web site's registration exemption, the Internet web site operator must notify the division within thirty (30) days after the change occurs.

(v) The Internet web site operator is not required to register as a broker-dealer under item (ii) if the Internet web site operator is registered as a broker-dealer under the Securities Exchange Act of 1934 (15 U.S.C. 78o) or is a funding portal registered under the Securities Act of 1933 (15 U.S.C. 77d-1) and the Securities and Exchange Commission has adopted rules under authority of Section 3(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(h)) and P.L.112-106, Section 304, governing funding portals. This item does not require an Internet web site operator to register as a broker-dealer under the Securities Exchange Act of 1934 or as a funding portal under the Securities Act of 1933.

(vi) The issuer and the Internet web site operator must maintain records of all offers and sales of securities effected through the Internet web site and must provide ready access to the records to the division, upon request. The records of an Internet web site operator under this clause are subject to the reasonable periodic, special, or other audits or inspections by a representative of the commissioner, in or outside Indiana, as the commissioner considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The commissioner may copy, and remove for audit or inspection copies of, all records the commissioner reasonably considers necessary or appropriate to conduct the audit or inspection. The commissioner may assess a reasonable charge for conducting an audit or inspection under this item.

(vii) The Internet web site operator shall limit web site access to the offer or sale of securities to only Indiana residents.

(viii) The Internet web site operator shall not hold, manage, possess, or handle investor funds or securities.



(ix) The Internet web site operator may not be an investor in any Indiana offering under this subdivision or subdivision (26).

(P) An issuer of a security, the offer and sale of which is exempt under this subdivision, shall provide, free of charge, a quarterly report to the issuer's investors until no securities issued under an exemption under this subdivision are outstanding. An issuer may satisfy the reporting requirement of this clause by making the information available on an Internet web site if the information is made available within forty-five (45) days after the end of each fiscal quarter and remains available until the succeeding quarterly report is issued. An issuer shall file each quarterly report under this clause with the division and, if the quarterly report is made available on an Internet web site, the issuer shall also provide a written copy of the report to any investor upon request. The report must contain all the following:

- (i) Compensation received by each director and executive officer, including cash compensation earned since the previous report and on an annual basis and any bonuses, stock options, other rights to receive securities of the issuer or any affiliate of the issuer, or other compensation received.
- (ii) An analysis by management of the issuer of the business operations and financial condition of the issuer.

(Q) In 2019 and every fifth year thereafter, the commissioner shall cumulatively adjust the dollar limitations provided in clause (C) to reflect the change in the Consumer Price Index for all Urban Consumers published by the federal Bureau of Labor Statistics rounding each dollar limitation to the nearest fifty thousand dollars (\$50,000).

**(28) An offer to sell or a sale of a security of an issuer made after June 30, 2017, in which:**

- (A) the offer or sale is made in compliance with federal Regulation Crowdfunding (17 CFR 227) and Sections 4(a)(6) and 18(b)(4)(C) of the Securities Act of 1933; and**
- (B) the issuer is required to submit a notice filing on a Uniform Notice of Federal Crowdfunding Offering form or copies of documents filed with the Securities and Exchange Commission, a consent to service of process on Form U-2 if not filing on the Uniform Notice of Federal Crowdfunding Offering form.**

**(29) An offer to sell or a sale of a security of an issuer made**



after June 30, 2017, if the transaction is part of a single issue in which:

(A) the offer or sale is made in compliance with Tier 2 of federal Regulation A and Section 18(b)(3) or Section 18(b)(4) of the Securities Act of 1933; and

(B) the issuer is required to submit a notice filing on a Uniform Notice of Regulation A -- Tier 2 Offering form or copies of documents filed with the Securities and Exchange Commission, a consent to service of process on Form U-2 if not filing on the Uniform Notice of Regulation A -- Tier 2 Offering form.

SECTION 3. IC 23-19-3-2, AS ADDED BY P.L.27-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) With respect to a federal covered security, as defined in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. 77r(b)(2)), that is not otherwise exempt under IC 23-19-2-1 through IC 23-19-2-3, a rule adopted or order issued under this article may require the filing of any or all of the following records:

(1) Before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and a consent to service of process complying with IC 23-19-6-11 signed by the issuer and the payment of a fee of: **as set forth in subsection (f).**

(A) five hundred dollars (\$500) for an issuer with net assets not exceeding ten million dollars (\$10,000,000); or

(B) one thousand dollars (\$1,000) for other issuers.

(2) After the initial offer of the federal covered security in this state, all records that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission, under the Securities Act of 1933.

(3) To the extent necessary or appropriate to compute fees, a report of the value of the federal covered securities sold or offered to persons present in this state, if the sales data are not included in records filed with the Securities and Exchange Commission; and payment of a fee of five-hundredths of one percent (0.05%) of the excess of the dollar amount of securities sold during the fiscal year over the dollar amount of securities redeemed; not to exceed two thousand dollars (\$2,000) in any one (1) year. The fee required in subdivision (1) shall be applied as a credit against the fee required under this subdivision.

(b) A notice filing under subsection (a) is effective for one (1) year



commencing on the later of the notice filing or the effectiveness of the offering filed with the Securities and Exchange Commission. On or before expiration, the issuer may renew a notice filing by filing a copy of those records filed by the issuer with the Securities and Exchange Commission that are required by rule or order under this article to be filed and by paying a renewal fee of ~~two hundred fifty dollars (\$250)~~ **as set forth in subsection (f)**. A previously filed consent to service of process complying with IC 23-19-6-11 may be incorporated by reference in a renewal. A renewed notice filing becomes effective upon the expiration of the filing being renewed.

(c) With respect to a security that is a federal covered security under Section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. 77r(b)(4)(D)), **that is not otherwise exempt under IC 23-19-2-1 through IC 23-19-2-3**, a rule under this article may require a notice filing by or on behalf of an issuer to include a copy of Form D, ~~including the Appendix~~, as promulgated by the Securities and Exchange Commission, **17 CFR 239.500, or a successor form**, and a consent to service of process complying with IC 23-19-6-11 signed by the issuer not later than fifteen (15) days after the first sale of the federal covered security in this state.

~~(d) Except with respect to a federal security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. 77r(b)(1)), if the commissioner finds that there is a failure to comply with a notice or fee requirement of this section, the commissioner may issue a stop order suspending the offer and sale of a federal covered security in this state. If the deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the commissioner.~~

**(d) The following provisions apply to offerings made under federal Regulation Crowdfunding (17 CFR 227) and Sections 4(a)(6) and 18(b)(4)(C) of the Securities Act of 1933:**

**(1) An issuer that offers and sells securities in this state in an offering exempt under federal Regulation Crowdfunding (17 CFR 227), and that either has its principal place of business in this state or sells fifty percent (50%) or greater of the aggregate amount of the offering to residents of this state, shall file the following with the commissioner:**

**(A) A completed Uniform Notice of Federal Crowdfunding Offering form or copies of all documents filed with the Securities and Exchange Commission.**

**(B) A consent to service of process on Form U-2 if not filing on the Uniform Notice of Federal Crowdfunding Offering form.**



**(2) If the issuer has its principal place of business in this state, the filing required under subdivision (1) shall be filed with the commissioner when the issuer makes its initial Form C filing concerning the offering with the Securities and Exchange Commission. If the issuer does not have its principal place of business in this state but residents of this state have purchased fifty percent (50%) or greater of the aggregate amount of the offering, the filing required under subdivision (1) shall be filed when the issuer becomes aware that the purchases have met this threshold and not later than thirty (30) days after the date of completion of the offering.**

**(3) The initial notice filing is effective for twelve (12) months after the date of the filing with the commissioner.**

**(4) For each additional twelve (12) month period in which the offering is continued, an issuer conducting an offering under federal Regulation Crowdfunding (17 CFR 227) may renew its notice filing by filing the following on or before the expiration of the notice filing a completed Uniform Notice of Federal Crowdfunding Offering form marked "renewal" or a cover letter or other document requesting renewal, or both the form and a cover letter or other document.**

**(5) An issuer may increase the amount of securities offered in this state by submitting a completed Uniform Notice of Federal Crowdfunding Offering form marked "amendment" or other document describing the transaction.**

**(e) The following provisions apply to offerings made under Tier 2 of federal Regulation A and Section 18(b)(3) or Section 18(b)(4) of the Securities Act of 1933:**

**(1) An issuer planning to offer and sell securities in this state in an offering exempt under Tier 2 of federal Regulation A shall submit the following at least twenty-one (21) calendar days prior to the initial sale in this state:**

**(A) A completed Uniform Notice of Regulation A - Tier 2 Offering form or copies of all documents filed with the Securities and Exchange Commission.**

**(B) A consent to service of process on Form U-2 if not filing on the Uniform Notice of Regulation A - Tier 2 Offering form.**

**The initial notice filing is effective for twelve (12) months from the date of the filing with this state.**

**(2) For each additional twelve (12) month period in which the same offering is continued, an issuer conducting a Tier 2**



offering under federal Regulation A may renew its notice filing by filing, on or before the expiration of the notice filing, the Uniform Notice of Regulation A - Tier 2 Offering form marked "renewal" or a cover letter or other document requesting renewal, or both the form and a cover letter or other document.

(3) An issuer may increase the amount of securities offered in this state by submitting a Uniform Notice of Regulation A - Tier 2 Offering form marked "amendment" or other document describing the transaction.

(f) At the time of the filing of the information prescribed in subsection (a) or (b), the issuer shall pay to the commissioner a fee of nine hundred dollars (\$900). If the notice filing is withdrawn or otherwise terminated, the commissioner shall retain the fee.

(g) Except for a federal security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. 77r(b)(1)), if the commissioner finds that there is a failure to comply with a notice or fee requirement of this section, the commissioner may issue a stop order suspending the offer and sale of a federal covered security in this state. If the deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the commissioner.

SECTION 4. IC 23-19-3-5, AS ADDED BY P.L.27-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) A registration statement **under section 3 or 4 of this chapter** may be filed by the issuer, a person on whose behalf the offering is to be made, or a broker-dealer registered under this article.

(b) A person filing a registration statement shall pay a filing fee of five-hundredths of one percent (0.05%) of the maximum aggregate offering price at which the registered securities are to be offered in Indiana, but the fee may not be less than two hundred fifty dollars (\$250) and may not be more than one thousand dollars (\$1,000). If a registration statement is withdrawn before the effective date or a preeffective stop order is issued under section 6 of this chapter, the commissioner shall retain two hundred fifty dollars (\$250) of the fee. **five hundred dollars (\$500). If the registration statement is withdrawn before the effective date or a preeffective stop order is issued, the commissioner shall retain the fee.**

(c) A registration statement filed under section 3 or 4 of this chapter must specify:

(1) the amount of securities to be offered in this state;



(2) the states in which a registration statement or similar record in connection with the offering has been or is to be filed; and

(3) any adverse order, judgment, or decree issued in connection with the offering by a state securities regulator, the Securities and Exchange Commission, or a court.

(d) A record filed under this article or the predecessor act within five (5) years preceding the filing of a registration statement may be incorporated by reference in the registration statement to the extent that the record is currently accurate.

(e) In the case of a nonissuer distribution, information or a record may not be required under subsection (i) or section 4 of this chapter, unless it is known to the person filing the registration statement or to the person on whose behalf the distribution is to be made or unless it can be furnished by those persons without unreasonable effort or expense.

(f) A rule adopted or order issued under this article may require as a condition of registration that a security issued within the previous five (5) years or to be issued to a promoter for a consideration substantially less than the public offering price or to a person for a consideration other than cash be deposited in escrow and that the proceeds from the sale of the registered security in this state be impounded until the issuer receives a specified amount from the sale of the security either in this state or elsewhere. The conditions of any escrow or impoundment required under this subsection may be established by rule adopted or order issued under this article, but the commissioner may not reject a depository institution solely because of its location in another state.

(g) A rule adopted or order issued under this article may require as a condition of registration that a security registered under this article be sold only on a specified form of subscription or sale contract and that a signed or conformed copy of each contract be filed under this article or preserved for a period specified by the rule or order, which may not be longer than five (5) years.

(h) Except while a stop order is in effect under section 6 of this chapter, a registration statement is effective for one (1) year after its effective date, or for any longer period designated in an order under this article during which the security is being offered or distributed in a nonexempted transaction by or for the account of the issuer or other person on whose behalf the offering is being made or by an underwriter or broker-dealer that is still offering part of an unsold allotment or subscription taken as a participant in the distribution. For the purposes of a nonissuer transaction, all outstanding securities of the same class identified in the registration statement as a security registered under



this article are considered to be registered while the registration statement is effective. If any securities of the same class are outstanding, a registration statement may not be withdrawn until one (1) year after its effective date. A registration statement may be withdrawn only with the approval of the commissioner.

(i) While a registration statement is effective, a rule adopted or order issued under this article may require the person that filed the registration statement to file reports, not more often than quarterly, to keep the information or other record in the registration statement reasonably current and to disclose the progress of the offering.

(j) A registration statement ~~may~~ **shall** be amended after its effective date **if there are material changes in information or documents in the registration statement or if there is an increase in the aggregate amount of securities offered or sold in the state.** The posteffective amendment becomes effective when the commissioner so orders. ~~If a posteffective amendment is made to increase the number of securities specified to be offered or sold, the person filing the amendment shall pay the greater of one hundred dollars (\$100) or the difference between the amount originally paid and the amount the registration fee would have been if all the securities to be offered had been registered. If a posteffective amendment is made to increase the number of securities specified to be offered or sold, the issuer filing the amendment shall pay a nonrefundable registration fee of one hundred dollars (\$100).~~ A posteffective amendment relates back to the date of the offering of the additional securities being registered if, within one (1) year after the date of the sale, the amendment is filed and the additional registration fee is paid.

SECTION 5. IC 23-19-4.1-1, AS ADDED BY P.L.39-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. As used in this chapter, "financial exploitation" means the wrongful or unauthorized taking, withholding, appropriation, or use of money, real property, or personal property of a financially ~~endangered~~ **vulnerable** adult.

SECTION 6. IC 23-19-4.1-2 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 2: As used in this chapter, "financially endangered adult" means an individual to whom one (1) or more of the following apply:

- (1) The individual is at least sixty-five (65) years of age;
- (2) The individual is:
  - (A) at least eighteen (18) years of age; and
  - (B) incapable, by reason of:
    - (i) mental illness;
    - (ii) intellectual disability;





(iii) dementia; or  
 (iv) other physical or mental incapacity;  
 of managing or directing the management of the individual's  
 property.

SECTION 7. IC 23-19-4.1-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 2.1. As used in this chapter, "financially vulnerable adult" means an individual to whom one (1) or more of the following apply:**

- (1) **The individual is at least sixty-five (65) years of age.**
  - (2) **The individual is:**
    - (A) **at least eighteen (18) years of age; and**
    - (B) **incapable, by reason of:**
      - (i) **mental illness;**
      - (ii) **intellectual disability;**
      - (iii) **dementia; or**
      - (iv) **other physical or mental incapacity;**
- of managing or directing the management of the individual's property.**

SECTION 8. IC 23-19-4.1-5, AS ADDED BY P.L.39-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 5. As used in this chapter, "qualified individual" means an individual associated with a broker-dealer or investment adviser who serves in a supervisory, compliance, or legal capacity as part of the individual's job.**

SECTION 9. IC 23-19-4.1-6, AS ADDED BY P.L.39-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 6. (a) If a qualified individual has reason to believe that financial exploitation of a financially ~~endangered~~ vulnerable adult has occurred, has been attempted, or is being attempted, the qualified individual shall, as required by IC 12-10-3-9(a):**

- (1) **make a report to an entity listed in IC 12-10-3-10(a); and**
  - (2) **notify the commissioner.**
- (b) **After a qualified individual makes a report and provides notification under subsection (a), the qualified individual may, to the extent permitted under federal law, notify any of the following concerning the qualified individual's belief:**
- (1) **An immediate family member of the financially ~~endangered~~ vulnerable adult.**
  - (2) **A legal guardian of the financially ~~endangered~~ vulnerable adult.**



- (3) A conservator of the financially ~~endangered~~ **vulnerable** adult.
- (4) A trustee, cotrustee, or successor trustee of the account of the financially ~~endangered~~ **vulnerable** adult.
- (5) An agent under a power of attorney of the financially ~~endangered~~ **vulnerable** adult.
- (6) Any other person permitted under existing laws, rules, regulations, or customer agreement.

SECTION 10. IC 23-19-4.1-7, AS ADDED BY P.L.39-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) A qualified individual may refuse a request for disbursement of funds from an account:

- (1) owned by a financially ~~endangered~~ **vulnerable** adult; or
- (2) of which a financially ~~endangered~~ **vulnerable** adult is a beneficiary or beneficial owner;

if the qualified individual has reason to believe that the requested disbursement may result in financial exploitation of the financially ~~endangered~~ **vulnerable** adult.

(b) If a qualified individual refuses a request for disbursement under subsection (a), a broker-dealer **or investment adviser** involved in the transaction or the qualified individual shall:

- (1) subject to subsection (c), make a reasonable effort to notify all parties authorized to transact business on the account:

- (A) orally; or
- (B) in writing by:
  - (i) electronic communication; or
  - (ii) mail postmarked;

not more than two (2) business days after the qualified individual refuses the request for disbursement; and

- (2) notify the protective agencies:

- (A) orally; or
- (B) in writing by:
  - (i) electronic communication; or
  - (ii) mail postmarked;

not more than three (3) business days after the qualified individual refuses the request for disbursement.

(c) A broker-dealer, **investment adviser**, or the qualified individual described in subsection (b) is not required to contact a party authorized to transact business on the account if the broker-dealer, **investment adviser**, or qualified individual has reason to believe that the party has engaged in suspected or attempted financial exploitation of the financially ~~endangered~~ **vulnerable** adult.

- (d) Unless a court or the commissioner enters an order extending the



refusal of disbursement or providing any other applicable protective relief, any refusal of disbursement under this section expires upon the earlier of the following:

- (1) The date that the qualified individual has reason to believe that the disbursement will not result in financial exploitation of the financially ~~endangered~~ **vulnerable** adult.
- (2) Fifteen (15) business days after the date of the initial refusal of disbursement by the qualified individual. However, if a broker-dealer's **or investment adviser's** internal review of the facts and circumstances supports the broker-dealer's **or investment adviser's** reasonable belief that the financial exploitation of the financially ~~endangered~~ **vulnerable** adult has occurred, is occurring, has been attempted, or will be attempted, the commissioner shall extend the refusal of disbursement for an additional fifteen (15) business days after the expiration date that would otherwise apply under this subdivision.
- (e) A court with jurisdiction may enter an order that:
  - (1) extends a refusal of disbursement; or
  - (2) provides for any other protective relief.
- (f) After:
  - (1) a broker-dealer, **investment adviser**, or qualified individual provides notice under subsection (b); and
  - (2) the refusal of disbursement has expired or a court or the commissioner has entered an order as described in subsection (d) or (e)(1);

the broker-dealer, **investment adviser**, or qualified individual shall notify, in writing, the protective agencies of the expiration or the order, as applicable.

SECTION 11. IC 23-19-4.1-8, AS ADDED BY P.L.39-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8. Notwithstanding any other provision of law, a broker-dealer, **investment adviser**, or a qualified individual who, in good faith, complies with section 6 or 7 of this chapter, is immune from any administrative or civil liability for actions taken in accordance with those sections. A broker-dealer, **investment adviser**, or qualified individual who, in good faith, releases or does not release copies of records under section 9 of this chapter is immune from any civil liability for release of such records or failing to release such records. This chapter does not limit or otherwise impede the authority of the commissioner to access or examine books and records of broker-dealers **or investment advisers** as otherwise provided by law.

SECTION 12. IC 23-19-4.1-9, AS ADDED BY P.L.39-2016,



SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) A broker-dealer **or investment adviser** may provide to protective agencies or law enforcement access to or copies of records that are relevant to the suspected financial exploitation of a financially ~~endangered~~ **vulnerable** adult. The records may include records relating to:

- (1) disbursement of any funds from an account of the financially ~~endangered~~ **vulnerable** adult; and
- (2) disbursements of funds that comprise the suspected financial exploitation of a financially ~~endangered~~ **vulnerable** adult.

(b) All records made available to the protective agencies under this section are confidential under IC 5-14-3.

SECTION 13. IC 23-19-4.1-10, AS ADDED BY P.L.39-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. Not later than September 1, 2017, the commissioner shall develop and make available on the secretary of state's Internet web site information that includes training resources to assist broker-dealers, **investment advisers**, and qualified individuals in the prevention and detection of financial exploitation of financially ~~endangered~~ **vulnerable** adults. The training resources must include information on:

- (1) indicators of financial exploitation of financially ~~endangered~~ **vulnerable** adults; and
- (2) the potential steps broker-dealers, **investment advisers**, and qualified individuals can take, under Indiana law, to prevent suspected financial exploitation of financially ~~endangered~~ **vulnerable** adults.

SECTION 14. IC 34-30-2-96.1, AS ADDED BY P.L.39-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 96.1. IC 23-19-4.1-8 (Concerning acts by broker-dealers, **investment advisers**, and qualified individuals regarding financially ~~endangered~~ **vulnerable** adults).

SECTION 15. IC 35-41-4-2, AS AMENDED BY P.L.70-2016, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) Except as otherwise provided in this section, a prosecution for an offense is barred unless it is commenced:

- (1) within five (5) years after the commission of the offense, in the case of a Class B, Class C, or Class D felony (for a crime committed before July 1, 2014) or a Level 3, Level 4, Level 5, or Level 6 felony (for a crime committed after June 30, 2014); or
- (2) within two (2) years after the commission of the offense, in the case of a misdemeanor.



(b) A prosecution for a Class B or Class C felony (for a crime committed before July 1, 2014) or a Level 3, Level 4, or Level 5 felony (for a crime committed after June 30, 2014) that would otherwise be barred under this section may be commenced within one (1) year after the earlier of the date on which the state:

- (1) first discovers evidence sufficient to charge the offender with the offense through DNA (deoxyribonucleic acid) analysis; or
- (2) could have discovered evidence sufficient to charge the offender with the offense through DNA (deoxyribonucleic acid) analysis by the exercise of due diligence.

(c) A prosecution for a Class A felony (for a crime committed before July 1, 2014) or a Level 1 felony or Level 2 felony (for a crime committed after June 30, 2014) may be commenced at any time.

(d) A prosecution for murder may be commenced:

- (1) at any time; and
- (2) regardless of the amount of time that passes between:
  - (A) the date a person allegedly commits the elements of murder; and
  - (B) the date the alleged victim of the murder dies.

(e) A prosecution for the following offenses is barred unless commenced before the date that the alleged victim of the offense reaches thirty-one (31) years of age:

- (1) IC 35-42-4-3(a) (Child molesting).
- (2) IC 35-42-4-5 (Vicarious sexual gratification).
- (3) IC 35-42-4-6 (Child solicitation).
- (4) IC 35-42-4-7 (Child seduction).
- (5) IC 35-46-1-3 (Incest).

(f) A prosecution for forgery of an instrument for payment of money, or for the uttering of a forged instrument, under IC 35-43-5-2, is barred unless it is commenced within five (5) years after the maturity of the instrument.

(g) If a complaint, indictment, or information is dismissed because of an error, defect, insufficiency, or irregularity, a new prosecution may be commenced within ninety (90) days after the dismissal even if the period of limitation has expired at the time of dismissal, or will expire within ninety (90) days after the dismissal.

(h) The period within which a prosecution must be commenced does not include any period in which:

- (1) the accused person is not usually and publicly resident in Indiana or so conceals himself or herself that process cannot be served;
- (2) the accused person conceals evidence of the offense, and



evidence sufficient to charge the person with that offense is unknown to the prosecuting authority and could not have been discovered by that authority by exercise of due diligence; or  
 (3) the accused person is a person elected or appointed to office under statute or constitution, if the offense charged is theft or conversion of public funds or bribery while in public office.

(i) For purposes of tolling the period of limitation only, a prosecution is considered commenced on the earliest of these dates:

(1) The date of filing of an indictment, information, or complaint before a court having jurisdiction.

(2) The date of issuance of a valid arrest warrant.

(3) The date of arrest of the accused person by a law enforcement officer without a warrant, if the officer has authority to make the arrest.

(j) A prosecution is considered timely commenced for any offense to which the defendant enters a plea of guilty, notwithstanding that the period of limitation has expired.

(k) The following apply to the specified offenses:

(1) A prosecution for an offense under IC 30-2-9-7(b) (misuse of funeral trust funds) is barred unless commenced within five (5) years after the date of death of the settlor (as described in IC 30-2-9).

(2) A prosecution for an offense under IC 30-2-10-9(b) (misuse of funeral trust funds) is barred unless commenced within five (5) years after the date of death of the settlor (as described in IC 30-2-10).

(3) A prosecution for an offense under IC 30-2-13-38(f) (misuse of funeral trust or escrow account funds) is barred unless commenced within five (5) years after the date of death of the purchaser (as defined in IC 30-2-13-9).

(l) A prosecution for an offense under **IC 23-2-5, IC 23-2-6, IC 23-14-48-9, or IC 23-19** is barred unless commenced within five (5) years after the earlier of the date on which the state:

(1) first discovers evidence sufficient to charge the offender with the offense; or

(2) could have discovered evidence sufficient to charge the offender with the offense by the exercise of due diligence.

(m) A prosecution for a sex offense listed in IC 11-8-8-4.5 that is committed against a child and that is not:

(1) a Class A felony (for a crime committed before July 1, 2014) or a Level 1 felony or Level 2 felony (for a crime committed after June 30, 2014); or



(2) listed in subsection (e);  
is barred unless commenced within ten (10) years after the commission of the offense, or within four (4) years after the person ceases to be a dependent of the person alleged to have committed the offense, whichever occurs later.

(n) A prosecution for rape (IC 35-42-4-1) as a Class B felony (for a crime committed before July 1, 2014) or as a Level 3 felony (for a crime committed after June 30, 2014) that would otherwise be barred under this section may be commenced not later than five (5) years after the earlier of the date on which:

- (1) the state first discovers evidence sufficient to charge the offender with the offense through DNA (deoxyribonucleic acid) analysis;
- (2) the state first becomes aware of the existence of a recording (as defined in IC 35-31.5-2-273) that provides evidence sufficient to charge the offender with the offense; or
- (3) a person confesses to the offense.

(o) A prosecution for criminal deviate conduct (IC 35-42-4-2) (repealed) as a Class B felony for a crime committed before July 1, 2014, that would otherwise be barred under this section may be commenced not later than five (5) years after the earliest of the date on which:

- (1) the state first discovers evidence sufficient to charge the offender with the offense through DNA (deoxyribonucleic acid) analysis;
- (2) the state first becomes aware of the existence of a recording (as defined in IC 35-31.5-2-273) that provides evidence sufficient to charge the offender with the offense; or
- (3) a person confesses to the offense.



\_\_\_\_\_  
Speaker of the House of Representatives

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
President Pro Tempore

\_\_\_\_\_  
Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

**HEA 1526 — Concur**

