

FIRST REGULAR SESSION

HOUSE BILL NO. 845

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FREDERICK.

1758H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 409, RSMo, by adding thereto one new section relating to the regulation of securities.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 409, RSMo, is amended by adding thereto one new section, to be known as section 409.315, to read as follows:

409.315. 1. The offer or sale of a security by an issuer shall be exempt from the requirements of sections 409.3-301 to 409.3-105 and section 409.5-504, and each individual who represents an issuer in an offer or sale shall be exempt from the requirements of subsection (a) of section 409.4-402 if the offer or sale is conducted in accordance with each of the following requirements:

(1) The issuer of the security shall be a business or organization formed under the laws of the state of Missouri and registered with the secretary of state;

(2) The transaction shall meet 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 SEC Rule 147, 17 C.F.R. 230.147;

(3) The sum of all cash and other consideration to be received for all sales of the security in reliance upon this exemption shall not exceed two million dollars, less the aggregate amount received for all sales of securities by the issuer within the twelve months before the first offer or sale made in reliance upon this exemption;

(4) The issuer shall not accept more than five thousand dollars from any single purchaser unless the purchaser is an accredited investor as defined by Rule 501 of SEC 17 Regulation D, 17 C.F.R. 230.501;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **(5) A commission or other remuneration shall not be paid or given, directly or**
19 **indirectly, for any person's participation in the offer or sale of securities for the issuer**
20 **unless the person is registered as a broker-dealer or agent under this act;**

21 **(6) All funds received from investors shall be deposited into a bank or depository**
22 **institution authorized to do business in Missouri, and all the funds shall be used in**
23 **accordance with representations made to investors;**

24 **(7) Before the use of any general solicitation or the twenty-fifth sale of the security,**
25 **whichever occurs first, the issuer shall provide a notice to the administrator in writing or**
26 **in electronic form. The notice shall specify that the issuer is conducting an offering in**
27 **reliance upon this exemption and shall contain the names and addresses of the following**
28 **persons:**

29 **(a) The issuer;**

30 **(b) All persons who will be involved in the offer or sale of securities on behalf of the**
31 **issuer; and**

32 **(c) The bank or other depository institution in which investor funds will be**
33 **deposited;**

34 **(8) The issuer shall not be, either before or as a result of the offering, an investment**
35 **company as defined in Section 3 of the Investment Company Act of 1940, 15 U.S.C. 80a-3,**
36 **or subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange**
37 **Act of 1934, 15 U.S.C. 78m and 78o(d); and**

38 **(9) The issuer shall inform all purchasers that the securities have not been**
39 **registered under the act and, therefore, cannot be resold unless the securities are registered**
40 **or qualify for an exemption from registration under section 409.2-202 and amendments**
41 **thereto, or another regulation. In addition, the issuer shall make the disclosures required**
42 **by Subsection (f) of SEC Rule 147, 17 C.F.R. 230.147(f).**

43 **2. This exemption shall not be used in conjunction with any other exemption under**
44 **these regulations or Section 409.2-202, except for offers and sales to controlling persons of**
45 **the issuer. Sales to controlling persons shall not count toward the limitation in subdivision**
46 **(3) of subsection 1 of this section.**

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