

FIRST REGULAR SESSION

SENATE BILL NO. 12

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASSON.

Pre-filed December 1, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0518S.01I

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 sections 409.3-101 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

20 investor as defined by rule 501 of SEC 17 regulation D, 17 C.F.R.
21 230.501;

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

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

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

36 (a) The issuer;

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

39 (c) The bank or other depository institution in which investor
40 funds will be deposited;

41 (8) The issuer shall not be, either before or as a result of the
42 offering, an investment company as defined in section 3 of the
43 investment company act of 1940, 15 U.S.C. 80a-3, or subject to the
44 reporting requirements of section 13 or 15(d) of the securities exchange
45 act of 1934, 15 U.S.C. 78m and 78o(d);

46 (9) The issuer shall inform all purchasers that the securities
47 have not been registered under the act and, therefore, cannot be resold
48 unless the securities are registered or qualify for an exemption from
49 registration under K.S.A. 17-12a202 and amendments thereto, K.A.R.
50 81-5-3, or another regulation. In addition, the issuer shall make the
51 disclosures required by subsection (f) of SEC rule 147, 17 C.F.R.
52 230.147(f).

53 2. This exemption shall not be used in conjunction with any
54 other exemption under these regulations or section 409.2-202, except for

55 offers and sales to controlling persons of the issuer. Sales to
56 controlling persons shall not count toward the limitation in subdivision
57 (3) of subsection 1 of this section.

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