

HOUSE BILL NO. HB0031

Uniform Securities Act.

Sponsored by: Joint Corporations, Elections & Political  
Subdivisions Interim Committee

A BILL

for

1 AN ACT relating to the Uniform Securities Act; adopting  
2 uniform revisions relating to general provisions,  
3 exemptions from registration of securities, registration of  
4 securities, notice filing of federal covered securities,  
5 broker-dealers, agents, investment advisers, investment  
6 adviser representatives, federal covered investment  
7 advisers, fraud, liabilities, administration, judicial  
8 review and transition to the act; conforming related  
9 provisions; providing for an appropriation; authorizing an  
10 additional position as specified; granting rulemaking  
11 authority; and providing for effective dates.  
12

13 *Be It Enacted by the Legislature of the State of Wyoming:*  
14

15 **Section 1.** W.S. 17-4-101 through 17-4-132 are  
16 repealed and recreated as 17-4-101 through 17-4-105,  
17 17-4-201 through 17-4-205, 17-4-301 through 17-4-307,  
18 17-4-401 through 17-4-412, 17-4-501 through 17-4-510,  
19 17-4-601 through 17-4-613 and 17-4-701 to read:  
20

21 ARTICLE 1  
22 GENERAL PROVISIONS  
23

24 **17-4-101. Short title.**  
25

26 This act may be cited as the "Wyoming Uniform Securities  
27 Act."  
28

29 **17-4-102. Definitions.**  
30

1 (a) In this act, unless the context otherwise  
2 requires:

3  
4 (i) "Administrator" means the secretary of  
5 state;

6  
7 (ii) "Agent" means an individual, other than a  
8 broker-dealer, who represents a broker-dealer in effecting  
9 or attempting to effect purchases or sales of securities or  
10 represents an issuer in effecting or attempting to effect  
11 purchases or sales of the issuer's securities. But a  
12 partner, officer, or director of a broker-dealer or issuer,  
13 or an individual having a similar status or performing  
14 similar functions is an agent only if the individual  
15 otherwise comes within the term. The term does not include  
16 an individual excluded by rule adopted or order issued  
17 under this act;

18  
19 (iii) "Bank" means:

20  
21 (A) A banking institution organized under  
22 the laws of the United States;

23  
24 (B) A member bank of the federal reserve  
25 system;

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

38  
39 (D) A receiver, conservator, or other  
40 liquidating agent of any institution or firm included in  
41 subparagraph (A), (B), or (C) of this paragraph.

42  
43 (iv) "Broker-dealer" means a person engaged in  
44 the business of effecting transactions in securities for

1 the account of others or for the person's own account. The  
2 term does not include:

3

4 (A) An agent;

5

6 (B) An issuer;

7

8 (C) A bank or savings institution if its  
9 activities as a broker-dealer are limited to those  
10 specified in subsections 3(a)(4)(B)(i) through (vi), (viii)  
11 through (x), and (xi) if limited to unsolicited  
12 transactions; 3(a)(5)(B); and 3(a)(5)(C) of the Securities  
13 Exchange Act of 1934 (15 U.S.C. §§ 78c(a)(4) and (5)) or a  
14 bank that satisfies the conditions described in subsection  
15 3(a)(4)(E) of the Securities Exchange Act of 1934 (15  
16 U.S.C. § 78c(a)(4));

17

18 (D) An international banking institution;

19 or

20

21 (E) A person excluded by rule adopted or  
22 order issued under this act.

23

24 (v) "Depository institution" means:

25

26 (A) A bank; or

27

28 (B) A savings institution, trust company,  
29 credit union, or similar institution that is organized or  
30 chartered under the laws of a state or of the United  
31 States, authorized to receive deposits, and supervised and  
32 examined by an official or agency of a state or the United  
33 States if its deposits or share accounts are insured to the  
34 maximum amount authorized by statute by the federal deposit  
35 insurance corporation, the national credit union share  
36 insurance fund, or a successor authorized by federal law.  
37 The term does not include:

38

39 (I) An insurance company or other  
40 organization primarily engaged in the business of  
41 insurance;

42

43 (II) A morris plan bank; or

44

1 (III) An industrial loan company that  
2 is not an "insured depository institution" as defined in  
3 section 3(c)(2) of the Federal Deposit Insurance Act, (12  
4 U.S.C. 1813(c)(2)), or any successor federal statute.

5  
6 (vi) "Federal covered investment adviser" means  
7 a person registered under the Investment Advisers Act of  
8 1940;

9  
10 (vii) "Federal covered security" means a  
11 security that is, or upon completion of a transaction will  
12 be, a covered security under section 18(b) of the  
13 Securities Act of 1933 (15 U.S.C. § 77r(b)) or rules or  
14 regulations adopted pursuant to that provision;

15  
16 (viii) "Filing" means the receipt under this act  
17 of a record by the secretary of state or a designee of the  
18 secretary of state;

19  
20 (ix) "Fraud," "deceit," and "defraud" are not  
21 limited to common law deceit;

22  
23 (x) "Guaranteed" means guaranteed as to payment  
24 of all principal and all interest;

25  
26 (xi) "Institutional investor" means any of the  
27 following, whether acting for itself or for others in a  
28 fiduciary capacity:

29  
30 (A) A depository institution or  
31 international banking institution;

32  
33 (B) An insurance company;

34  
35 (C) A separate account of an insurance  
36 company;

37  
38 (D) An investment company as defined in  
39 the Investment Company Act of 1940;

40  
41 (E) A broker-dealer registered under the  
42 Securities Exchange Act of 1934;

43  
44 (F) An employee pension, profit-sharing, or  
45 benefit plan if the plan has total assets in excess of ten

1 million dollars (\$10,000,000.00) or its investment  
2 decisions are made by a named fiduciary, as defined in the  
3 Employee Retirement Income Security Act of 1974, that is a  
4 broker-dealer registered under the Securities Exchange Act  
5 of 1934, an investment adviser registered or exempt from  
6 registration under the Investment Advisers Act of 1940, an  
7 investment adviser registered under this act, a depository  
8 institution, or an insurance company;

9  
10 (G) A plan established and maintained by a  
11 state, a political subdivision of a state, or an agency or  
12 instrumentality of a state or a political subdivision of a  
13 state for the benefit of its employees, if the plan has  
14 total assets in excess of ten million dollars  
15 (\$10,000,000.00) or its investment decisions are made by a  
16 duly designated public official or by a named fiduciary, as  
17 defined in the Employee Retirement Income Security Act of  
18 1974, that is a broker-dealer registered under the  
19 Securities Exchange Act of 1934, an investment adviser  
20 registered or exempt from registration under the Investment  
21 Advisers Act of 1940, an investment adviser registered  
22 under this act, a depository institution, or an insurance  
23 company;

24  
25 (H) A trust, if it has total assets in  
26 excess of ten million dollars (\$10,000,000.00), its trustee  
27 is a depository institution, and its participants are  
28 exclusively plans of the types identified in subparagraph  
29 (F) or (G) of this paragraph, regardless of the size of  
30 their assets, except a trust that includes as participants  
31 self-directed individual retirement accounts or similar  
32 self-directed plans;

33  
34 (J) An organization described in section  
35 501(c)(3) of the Internal Revenue Code (26 U.S.C. §  
36 501(c)(3)), corporation, Massachusetts trust or similar  
37 business trust, limited liability company, or partnership,  
38 not formed for the specific purpose of acquiring the  
39 securities offered, with total assets in excess of ten  
40 million dollars (\$10,000,000.00);

41  
42 (K) A small business investment company  
43 licensed by the small business administration under section  
44 301(c) of the Small Business Investment Act of 1958 (15

1 U.S.C. § 681(c)) with total assets in excess of ten million  
2 dollars (\$10,000,000.00);

3  
4 (M) A private business development company  
5 as defined in section 202(a)(22) of the Investment Advisers  
6 Act of 1940 (15 U.S.C. § 80b-2(a)(22)) with total assets in  
7 excess of ten million dollars (\$10,000,000.00);

8  
9 (N) A federal covered investment adviser  
10 acting for its own account;

11  
12 (O) A "qualified institutional buyer" as  
13 defined in rule 144A(a)(1), other than rule  
14 144A(a)(1)(i)(H), adopted under the Securities Act of 1933  
15 (17 C.F.R. 230.144A);

16  
17 (P) A "major United States institutional  
18 investor" as defined in rule 15a-6(b)(4)(i) adopted under  
19 the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6);

20  
21 (Q) Any other person, other than an  
22 individual, of institutional character with total assets in  
23 excess of ten million dollars (\$10,000,000.00) not  
24 organized for the specific purpose of evading this act; or

25  
26 (R) Any other person specified by rule  
27 adopted or order issued under this act.

28  
29 (xii) "Insurance company" means a company  
30 organized as an insurance company whose primary business is  
31 writing insurance or reinsuring risks underwritten by  
32 insurance companies and which is subject to supervision by  
33 the insurance commissioner or a similar official or agency  
34 of a state;

35  
36 (xiii) "Insured" means insured as to payment of  
37 all principal and all interest;

38  
39 (xiv) "International banking institution" means  
40 an international financial institution of which the United  
41 States is a member and whose securities are exempt from  
42 registration under the Securities Act of 1933;

43  
44 (xv) "Investment adviser" means a person that,  
45 for compensation, engages in the business of advising

1 others, either directly or through publications or  
2 writings, as to the value of securities or the advisability  
3 of investing in, purchasing, or selling securities or that,  
4 for compensation and as a part of a regular business,  
5 issues or promulgates analyses or reports concerning  
6 securities. The term includes a financial planner or other  
7 person that, as an integral component of other financially  
8 related services, provides investment advice to others for  
9 compensation as part of a business or that holds itself out  
10 as providing investment advice to others for compensation.  
11 The term does not include:

12

13 (A) An investment adviser representative;

14

15 (B) A lawyer, accountant, engineer, or  
16 teacher whose performance of investment advice is solely  
17 incidental to the practice of the person's profession;

18

19 (C) A broker-dealer or its agents whose  
20 performance of investment advice is solely incidental to  
21 the conduct of business as a broker-dealer and that does  
22 not receive special compensation for the investment advice;

23

24 (D) A publisher of a bona fide newspaper,  
25 news magazine, or business or financial publication of  
26 general and regular circulation;

27

28 (E) A federal covered investment adviser;

29

30 (F) A bank or savings institution;

31

32 (G) Any other person that is excluded by  
33 the Investment Advisers Act of 1940 from the definition of  
34 investment adviser; or

35

36 (H) Any other person excluded by rule  
37 adopted or order issued under this act.

38

39 (xvi) "Investment adviser representative" means  
40 an individual employed by or associated with an investment  
41 adviser or federal covered investment adviser and who makes  
42 any recommendations or otherwise gives investment advice  
43 regarding securities, manages accounts or portfolios of  
44 clients, determines which recommendation or advice  
45 regarding securities should be given, provides investment

1 advice or holds himself out as providing investment advice,  
2 receives compensation to solicit, offer, or negotiate for  
3 the sale of or for selling investment advice, or supervises  
4 employees who perform any of the foregoing. The term does  
5 not include an individual who:

6  
7 (A) Performs only clerical or ministerial  
8 acts;

9  
10 (B) Is an agent whose performance of  
11 investment advice is solely incidental to the individual  
12 acting as an agent and who does not receive special  
13 compensation for investment advisory services;

14  
15 (C) Is employed by or associated with a  
16 federal covered investment adviser, unless the individual  
17 has a "place of business" in this state as that term is  
18 defined by rule adopted under section 203A of the  
19 Investment Advisers Act of 1940 (15 U.S.C. § 80b-3a) and  
20 is:

21  
22 (I) An "investment adviser  
23 representative" as that term is defined by rule adopted  
24 under section 203A of the Investment Advisers Act of 1940  
25 (15 U.S.C. § 80b-3a); or

26  
27 (II) Not a "supervised person" as that  
28 term is defined in section 202(a)(25) of the Investment  
29 Advisers Act of 1940 (15 U.S.C. § 80b-2(a)(25)).

30  
31 (D) Is excluded by rule adopted or order  
32 issued under this act.

33  
34 (xvii) "Issuer" means a person that issues or  
35 proposes to issue a security, subject to the following:

36  
37 (A) The issuer of a voting trust  
38 certificate, collateral trust certificate, certificate of  
39 deposit for a security, or share in an investment company  
40 without a board of directors or individuals performing  
41 similar functions is the person performing the acts and  
42 assuming the duties of depositor or manager pursuant to the  
43 trust or other agreement or instrument under which the  
44 security is issued;

45



1 (B) The issuer of an equipment trust  
2 certificate or similar security serving the same purpose is  
3 the person by which the property is or will be used or to  
4 which the property or equipment is or will be leased or  
5 conditionally sold or that is otherwise contractually  
6 responsible for assuring payment of the certificate;  
7

8 (C) The issuer of a fractional undivided  
9 interest in an oil, gas, or other mineral lease or in  
10 payments out of production under a lease, right, or royalty  
11 is the owner of an interest in the lease or in payments out  
12 of production under a lease, right, or royalty, whether  
13 whole or fractional, that creates fractional interests for  
14 the purpose of sale.  
15

16 (xviii) "Nonissuer transaction" or "nonissuer  
17 distribution" means a transaction or distribution not  
18 directly or indirectly for the benefit of the issuer;  
19

20 (xix) "Offer to purchase" includes an attempt or  
21 offer to obtain, or solicitation of an offer to sell, a  
22 security or interest in a security for value. The term does  
23 not include a tender offer that is subject to section 14(d)  
24 of the Securities Exchange Act of 1934 (15 U.S.C. 78n(d));  
25

26 (xx) "Person" means an individual; corporation;  
27 business trust; estate; trust; partnership; limited  
28 liability company; association; joint venture; government;  
29 governmental subdivision, agency, or instrumentality;  
30 public corporation; or any other legal or commercial  
31 entity;  
32

33 (xxi) "Place of business" of a broker-dealer, an  
34 investment adviser, or a federal covered investment adviser  
35 means:  
36

37 (A) An office at which the broker-dealer,  
38 investment adviser, or federal covered investment adviser  
39 regularly provides brokerage or investment advice or  
40 solicits, meets with, or otherwise communicates with  
41 customers or clients; or  
42

43 (B) Any other location that is held out to  
44 the general public as a location at which the  
45 broker-dealer, investment adviser, or federal covered

1 investment adviser provides brokerage or investment advice  
2 or solicits, meets with, or otherwise communicates with  
3 customers or clients.  
4

5 (xxii) "Predecessor act" means the act repealed  
6 and replaced by this act;  
7

8 (xxiii) "Price amendment" means the amendment to  
9 a registration statement filed under the Securities Act of  
10 1933 or, if an amendment is not filed, the prospectus or  
11 prospectus supplement filed under the Securities Act of  
12 1933 that includes a statement of the offering price,  
13 underwriting and selling discounts or commissions, amount  
14 of proceeds, conversion rates, call prices, and other  
15 matters dependent upon the offering price;  
16

17 (xxiv) "Principal place of business" of a  
18 broker-dealer or an investment adviser means the executive  
19 office of the broker-dealer or investment adviser from  
20 which the officers, partners, or managers of the  
21 broker-dealer or investment adviser direct, control, and  
22 coordinate the activities of the broker-dealer or  
23 investment adviser;  
24

25 (xxv) "Record," except in the phrases "of  
26 record," "official record," and "public record," means  
27 information that is inscribed on a tangible medium or that  
28 is stored in an electronic or other medium and is  
29 retrievable in perceivable form;  
30

31 (xxvi) "Sale" includes every contract of sale,  
32 contract to sell, or disposition of, a security or interest  
33 in a security for value, and "offer to sell" includes every  
34 attempt or offer to dispose of, or solicitation of an offer  
35 to purchase, a security or interest in a security for  
36 value. Both terms include:  
37

38 (A) A security given or delivered with, or  
39 as a bonus on account of, a purchase of securities or any  
40 other thing constituting part of the subject of the  
41 purchase and having been offered and sold for value;  
42

43 (B) A gift of assessable stock involving an  
44 offer and sale; and  
45

1 (C) A sale or offer of a warrant or right  
2 to purchase or subscribe to another security of the same or  
3 another issuer and a sale or offer of a security that gives  
4 the holder a present or future right or privilege to  
5 convert the security into another security of the same or  
6 another issuer, including an offer of the other security.

7  
8 (xxvii) "Securities and exchange commission"  
9 means the United States securities and exchange commission;

10  
11 (xxviii) "Security" means a note; stock;  
12 treasury stock; security future; bond; debenture; evidence  
13 of indebtedness; certificate of interest or participation  
14 in a profit-sharing agreement; collateral trust  
15 certificate; preorganization certificate or subscription;  
16 transferable share; investment contract; voting trust  
17 certificate; certificate of deposit for a security; put,  
18 call, straddle, option, or privilege on a security,  
19 certificate of deposit, or group or index of securities,  
20 including an interest therein or based on the value  
21 thereof; put, call, straddle, option, or privilege entered  
22 into on a national securities exchange relating to foreign  
23 currency; or, in general, an interest or instrument  
24 commonly known as a "security"; or a certificate of  
25 interest or participation in, temporary or interim  
26 certificate for, receipt for, guarantee of, or warrant or  
27 right to subscribe to or purchase, any of the foregoing.  
28 The term:

29  
30 (A) Includes both a certificated and an  
31 uncertificated security;

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

38  
39 (C) Does not include an interest in a  
40 contributory or noncontributory pension or welfare plan  
41 subject to the Employee Retirement Income Security Act of  
42 1974;

43  
44 (D) Includes as an "investment contract" an  
45 investment in a common enterprise with the expectation of

1 profits to be derived primarily from the efforts of a  
2 person other than the investor and a "common enterprise"  
3 means an enterprise in which the fortunes of the investor  
4 are interwoven with those of either the person offering the  
5 investment, a third party, or other investors; and  
6

7 (E) Includes as an "investment contract,"  
8 among other contracts, an interest in a limited partnership  
9 and a limited liability company and an investment in a  
10 viatical settlement or similar agreement.  
11

12 (xxix) "Self-regulatory organization" means a  
13 national securities exchange registered under the  
14 Securities Exchange Act of 1934, a national securities  
15 association of broker-dealers registered under the  
16 Securities Exchange Act of 1934, a clearing agency  
17 registered under the Securities Exchange Act of 1934, or  
18 the municipal securities rulemaking board established under  
19 the Securities Exchange Act of 1934;  
20

21 (xxx) "Sign" means, with present intent to  
22 authenticate or adopt a record:  
23

24 (A) To execute or adopt a tangible symbol;  
25 or  
26

27 (B) To attach or logically associate with  
28 the record an electronic symbol, sound, or process.  
29

30 (xxxii) "State" means a state of the United  
31 States, the District of Columbia, Puerto Rico, the United  
32 States Virgin Islands, or any territory or insular  
33 possession subject to the jurisdiction of the United  
34 States;  
35

36 (xxxiii) "This act" means W.S. 17-4-101 through  
37 17-4-701.  
38

39 **17-4-103. References to federal statutes.**  
40

41 As used in this act: "Securities Act of 1933" (15 U.S.C. §  
42 77a et seq.), "Securities Exchange Act of 1934" (15 U.S.C.  
43 § 78a et seq.), "Public Utility Holding Company Act of  
44 1935" (15 U.S.C. § 79 et seq.), "Investment Company Act of  
45 1940" (15 U.S.C. § 80a-1 et seq.), "Investment Advisers Act

1 of 1940" (15 U.S.C. § 80b-1 et seq.), "Employee Retirement  
2 Income Security Act of 1974" (29 U.S.C. § 1001 et seq.),  
3 "National Housing Act" (12 U.S.C. § 1701 et seq.),  
4 "Commodity Exchange Act" (7 U.S.C. § 1 et seq.), "Internal  
5 Revenue Code" (26 U.S.C. § 1 et seq.), "Securities Investor  
6 Protection Act of 1970" (15 U.S.C. § 78aaa et seq.),  
7 "Securities Litigation Uniform Standards Act of 1998" (112  
8 Stat. 3227), "Small Business Investment Act of 1958" (15  
9 U.S.C. § 661 et seq.), and "Electronic Signatures in Global  
10 and National Commerce Act" (15 U.S.C. § 7001 et seq.) mean  
11 those statutes and the rules and regulations adopted under  
12 those statutes, as in effect on the date of enactment of  
13 this act.

14  
15 **17-4-104. References to federal agencies.**

16  
17 A reference in this act to an agency or department of the  
18 United States is also a reference to a successor agency or  
19 department.

20  
21 **17-4-105. Electronic records and signatures.**

22  
23 This act modifies, limits, and supersedes the federal  
24 Electronic Signatures in Global and National Commerce Act,  
25 but does not modify, limit, or supersede section 101(c) of  
26 that act (15 U.S.C. § 7001(c)) or authorize electronic  
27 delivery of any of the notices described in section 103(b)  
28 of that act (15 U.S.C. § 7003(b)). This act authorizes the  
29 filing of records and signatures, when specified by  
30 provisions of this act or by a rule adopted or order issued  
31 under this act, in a manner consistent with section 104(a)  
32 of that act (15 U.S.C. § 7004(a)).

33  
34 **ARTICLE 2**

35 **EXEMPTIONS FROM REGISTRATION OF SECURITIES**

36  
37 **17-4-201. Exempt securities.**

38  
39 (a) The following securities are exempt from the  
40 requirements of W.S. 17-4-301 through 17-4-306 and  
41 17-4-504:

42  
43 (i) A security, including a revenue obligation  
44 or a separate security as defined in rule 131 (17 C.F.R.  
45 230.131) adopted under the Securities Act of 1933, issued,

1 insured, or guaranteed by the United States; by a state; by  
2 a political subdivision of a state; by a public authority,  
3 agency, or instrumentality of one (1) or more states; by a  
4 political subdivision of one (1) or more states; or by a  
5 person controlled or supervised by and acting as an  
6 instrumentality of the United States under authority  
7 granted by the congress; or a certificate of deposit for  
8 any of the foregoing;

9  
10 (ii) A security issued, insured or guaranteed by  
11 a foreign government with which the United States maintains  
12 diplomatic relations, or any of its political subdivisions,  
13 if the security is recognized as a valid obligation by the  
14 issuer, insurer, or guarantor;

15  
16 (iii) A security issued by and representing or  
17 that will represent an interest in or a direct obligation  
18 of, or be guaranteed by:

19  
20 (A) An international banking institution;

21  
22 (B) A banking institution organized under  
23 the laws of the United States; a member bank of the federal  
24 reserve system; or a depository institution a substantial  
25 portion of the business of which consists or will consist  
26 of receiving deposits or share accounts that are insured to  
27 the maximum amount authorized by statute by the federal  
28 deposit insurance corporation, the national credit union  
29 share insurance fund, or a successor authorized by federal  
30 law or exercising fiduciary powers that are similar to  
31 those permitted for national banks under the authority of  
32 the comptroller of currency pursuant to section 1 of Public  
33 Law 87-722 (12 U.S.C. § 92a); or

34  
35 (C) Any other depository institution,  
36 unless by rule or order the secretary of state proceeds  
37 under W.S. 17-4-205.

38  
39 (iv) A security issued by and representing an  
40 interest in, or a debt of, or insured or guaranteed by, an  
41 insurance company authorized to do business in this state;

42  
43 (v) A security issued or guaranteed by a  
44 railroad, other common carrier, public utility, or public  
45 utility holding company that is:

1  
2 (A) Regulated in respect to its rates and  
3 charges by the United States or a state;  
4

5 (B) Regulated in respect to the issuance or  
6 guarantee of the security by the United States, a state,  
7 Canada, or a Canadian province or territory; or  
8

9 (C) A public utility holding company  
10 registered under the Public Utility Holding Company Act of  
11 1935 or a subsidiary of such a registered holding company  
12 within the meaning of that act.  
13

14 (vi) A federal covered security specified in  
15 section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. §  
16 77r(b)(1)) or by rule adopted under that provision or a  
17 security listed or approved for listing on another  
18 securities market specified by rule under this act; a put  
19 or a call option contract; a warrant; a subscription right  
20 on or with respect to such securities; or an option or  
21 similar derivative security on a security or an index of  
22 securities or foreign currencies issued by a clearing  
23 agency registered under the Securities Exchange Act of 1934  
24 and listed or designated for trading on a national  
25 securities exchange, a facility of a national securities  
26 exchange, or a facility of a national securities  
27 association registered under the Securities Exchange Act of  
28 1934 or an offer or sale, of the underlying security in  
29 connection with the offer, sale, or exercise of an option  
30 or other security that was exempt when the option or other  
31 security was written or issued; or an option or a  
32 derivative security designated by the securities and  
33 exchange commission under section 9(b) of the Securities  
34 Exchange Act of 1934 (15 U.S.C. § 78i(b));  
35

36 (vii) A security issued by a person organized  
37 and operated exclusively for religious, educational,  
38 benevolent, fraternal, charitable, social, athletic, or  
39 reformatory purposes, or as a chamber of commerce, and not  
40 for pecuniary profit, no part of the net earnings of which  
41 inures to the benefit of a private stockholder or other  
42 person, or a security of a company that is excluded from  
43 the definition of an investment company under section  
44 3(c)(10)(B) of the Investment Company Act of 1940 (15  
45 U.S.C. § 80a-3(c)(10)(B)); except that with respect to the

1 offer or sale of a note, bond, debenture, or other evidence  
2 of indebtedness issued by such a person, a rule may be  
3 adopted under this act limiting the availability of this  
4 exemption by classifying securities, persons, and  
5 transactions, imposing different requirements for different  
6 classes, specifying with respect to subparagraph (B) of  
7 this paragraph the scope of the exemption and the grounds  
8 for denial or suspension, and requiring an issuer:

9  
10 (A) To file a notice specifying the  
11 material terms of the proposed offer or sale and copies of  
12 any proposed sales and advertising literature to be used  
13 and provide that the exemption becomes effective if the  
14 secretary of state does not disallow the exemption within  
15 the period established by the rule;

16  
17 (B) To file a request for exemption  
18 authorization for which a rule under this act may specify  
19 the scope of the exemption, the requirement of an offering  
20 statement, the filing of sales and advertising literature,  
21 the filing of consent to service of process complying with  
22 W.S. 17-4-611, and grounds for denial or suspension of the  
23 exemption; or

24  
25 (C) To register under W.S. 17-4-304.

26  
27 (viii) A member's or owner's interest in, or a  
28 retention certificate or like security given in lieu of a  
29 cash patronage dividend issued by, a cooperative organized  
30 and operated as a nonprofit membership cooperative under  
31 the cooperative laws of a state, but not a member's or  
32 owner's interest, retention certificate, or like security  
33 sold to persons other than bona fide members of the  
34 cooperative; and

35  
36 (ix) An equipment trust certificate with respect  
37 to equipment leased or conditionally sold to a person, if  
38 any security issued by the person would be exempt under  
39 this section or would be a federal covered security under  
40 section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. §  
41 77r(b)(1)).

42  
43 **17-4-202. Exempt transactions.**  
44



1 (a) The following transactions are exempt from the  
2 requirements of W.S. 17-4-301 through 17-4-306 and  
3 17-4-504:  
4

5 (i) An isolated nonissuer transaction, whether  
6 effected by or through a broker-dealer or not;  
7

8 (ii) A nonissuer transaction by or through a  
9 broker-dealer registered, or exempt from registration under  
10 this act, and a resale transaction by a sponsor of a unit  
11 investment trust registered under the Investment Company  
12 Act of 1940, in a security of a class that has been  
13 outstanding in the hands of the public for at least ninety  
14 (90) days, if, at the date of the transaction:  
15

16 (A) The issuer of the security is engaged  
17 in business, the issuer is not in the organizational stage  
18 or in bankruptcy or receivership, and the issuer is not a  
19 blank check, blind pool, or shell company that has no  
20 specific business plan or purpose or has indicated that its  
21 primary business plan is to engage in a merger or  
22 combination of the business with, or an acquisition of, an  
23 unidentified person;  
24

25 (B) The security is sold at a price  
26 reasonably related to its current market price;  
27

28 (C) The security does not constitute the  
29 whole or part of an unsold allotment to, or a subscription  
30 or participation by, the broker-dealer as an underwriter of  
31 the security or a redistribution;  
32

33 (D) A nationally recognized securities  
34 manual or its electronic equivalent designated by rule  
35 adopted or order issued under this act or a record filed  
36 with the securities and exchange commission that is  
37 publicly available and contains:  
38

39 (I) A description of the business and  
40 operations of the issuer; and  
41

42 (II) The names of the issuer's  
43 executive officers and the names of the issuer's directors,  
44 if any; and  
45

1 (III) An audited balance sheet of the  
2 issuer as of a date within eighteen (18) months before the  
3 date of the transaction or, in the case of a reorganization  
4 or merger when the parties to the reorganization or merger  
5 each had an audited balance sheet, a pro forma balance  
6 sheet for the combined organization; and  
7

8 (IV) An audited income statement for  
9 each of the issuer's two (2) immediately previous fiscal  
10 years or for the period of existence of the issuer,  
11 whichever is shorter, or, in the case of a reorganization  
12 or merger when each party to the reorganization or merger  
13 had audited income statements, a pro forma income  
14 statement.  
15

16 (E) Any one (1) of the following  
17 requirements is met:  
18

19 (I) The issuer of the security has a  
20 class of equity securities listed on a national securities  
21 exchange registered under section 6 of the Securities  
22 Exchange Act of 1934 or designated for trading on the  
23 national association of securities dealers automated  
24 quotation system;  
25

26 (II) The issuer of the security is a  
27 unit investment trust registered under the Investment  
28 Company Act of 1940;  
29

30 (III) The issuer of the security,  
31 including its predecessors, has been engaged in continuous  
32 business for at least three (3) years; or  
33

34 (IV) The issuer of the security has  
35 total assets of at least two million dollars  
36 (\$2,000,000.00) based on an audited balance sheet as of a  
37 date within eighteen (18) months before the date of the  
38 transaction or, in the case of a reorganization or merger  
39 when the parties to the reorganization or merger each had  
40 such an audited balance sheet, a pro forma balance sheet  
41 for the combined organization.  
42

43 (iii) A nonissuer transaction by or through a  
44 broker-dealer registered or exempt from registration under  
45 this act in a security of a foreign issuer that is a margin

1 security defined in regulations or rules adopted by the  
2 board of governors of the federal reserve system;

3  
4 (iv) A nonissuer transaction by or through a  
5 broker-dealer registered or exempt from registration under  
6 this act in an outstanding security if the guarantor of the  
7 security files reports with the securities and exchange  
8 commission under the reporting requirements of section 13  
9 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.  
10 78m or 78o(d));

11  
12 (v) A nonissuer transaction by or through a  
13 broker-dealer registered or exempt from registration under  
14 this act in a security that:

15  
16 (A) Is rated at the time of the transaction  
17 by a nationally recognized statistical rating organization  
18 in one (1) of its four (4) highest rating categories; or

19  
20 (B) Has a fixed maturity or a fixed  
21 interest or dividend, if:

22  
23 (I) A default has not occurred during  
24 the current fiscal year or within the three (3) previous  
25 fiscal years or during the existence of the issuer and any  
26 predecessor if less than three (3) fiscal years, in the  
27 payment of principal, interest, or dividends on the  
28 security; and

29  
30 (II) The issuer is engaged in  
31 business, is not in the organizational stage or in  
32 bankruptcy or receivership, and is not and has not been  
33 within the previous twelve (12) months a blank check, blind  
34 pool, or shell company that has no specific business plan  
35 or purpose or has indicated that its primary business plan  
36 is to engage in a merger or combination of the business  
37 with, or an acquisition of, an unidentified person.

38  
39 (vi) A nonissuer transaction by or through a  
40 broker-dealer registered or exempt from registration under  
41 this act effecting an unsolicited order or offer to  
42 purchase;

43  
44 (vii) A nonissuer transaction executed by a bona  
45 fide pledgee without the purpose of evading this act;

1  
2 (viii) A nonissuer transaction by a federal  
3 covered investment adviser with investments under  
4 management in excess of one hundred million dollars  
5 (\$100,000,000.00) acting in the exercise of discretionary  
6 authority in a signed record for the account of others;  
7

8 (ix) A transaction in a security, whether or not  
9 the security or transaction is otherwise exempt, in  
10 exchange for one (1) or more bona fide outstanding  
11 securities, claims, or property interests, or partly in  
12 such exchange and partly for cash, if the terms and  
13 conditions of the issuance and exchange or the delivery and  
14 exchange and the fairness of the terms and conditions have  
15 been approved by the secretary of state after a hearing;  
16

17 (x) A transaction between the issuer or other  
18 person on whose behalf the offering is made and an  
19 underwriter, or among underwriters;  
20

21 (xi) A transaction in a note, bond, debenture,  
22 or other evidence of indebtedness secured by a mortgage or  
23 other security agreement if:  
24

25 (A) The note, bond, debenture, or other  
26 evidence of indebtedness is offered and sold with the  
27 mortgage or other security agreement as a unit;  
28

29 (B) A general solicitation or general  
30 advertisement of the transaction is not made; and  
31

32 (C) A commission or other remuneration is  
33 not paid or given, directly or indirectly, to a person not  
34 registered under this act as a broker-dealer or as an  
35 agent.  
36

37 (xii) A transaction by an executor,  
38 administrator of an estate, sheriff, marshal, receiver,  
39 trustee in bankruptcy, guardian, or conservator;  
40

41 (xiii) A sale or offer to sell to:  
42

43 (A) An institutional investor;  
44

1 (B) A federal covered investment adviser;  
2 or  
3

4 (C) Any other person exempted by rule  
5 adopted or order issued under this act.  
6

7 (xiv) A sale or an offer to sell securities of  
8 an issuer, if the transaction is part of a single issue in  
9 which:  
10

11 (A) Not more than twenty-five (25)  
12 purchasers are present in this state during any twelve (12)  
13 consecutive months, other than those designated in  
14 paragraph (xiii) of this subsection;  
15

16 (B) A general solicitation or general  
17 advertising is not made in connection with the offer to  
18 sell or sale of the securities;  
19

20 (C) A commission or other remuneration is  
21 not paid or given, directly or indirectly, to a person  
22 other than a broker-dealer registered under this act or an  
23 agent registered under this act for soliciting a  
24 prospective purchaser in this state; and  
25

26 (D) The issuer reasonably believes that all  
27 the purchasers in this state, other than those designated  
28 in paragraph (xiii) of this subsection, are purchasing for  
29 investment.  
30

31 (xv) A transaction under an offer to existing  
32 security holders of the issuer, including persons that at  
33 the date of the transaction are holders of convertible  
34 securities, options, or warrants, if a commission or other  
35 remuneration, other than a standby commission, is not paid  
36 or given, directly or indirectly, for soliciting a security  
37 holder in this state;  
38

39 (xvi) An offer to sell, but not a sale, of a  
40 security not exempt from registration under the Securities  
41 Act of 1933 if:  
42

43 (A) A registration or offering statement or  
44 similar record as required under the Securities Act of 1933  
45 has been filed, but is not effective, or the offer is made

1 in compliance with rule 165 adopted under the Securities  
2 Act of 1933 (17 C.F.R. 230.165); and

3  
4 (B) A stop order of which the offeror is  
5 aware has not been issued against the offeror by the  
6 secretary of state or the securities and exchange  
7 commission, and an audit, inspection, or proceeding that is  
8 public and that may culminate in a stop order is not known  
9 by the offeror to be pending.

10  
11 (xvii) An offer to sell, but not a sale, of a  
12 security exempt from registration under the Securities Act  
13 of 1933 if:

14  
15 (A) A registration statement has been filed  
16 under this act, but is not effective;

17  
18 (B) A solicitation of interest is provided  
19 in a record to offerees in compliance with a rule adopted  
20 by the secretary of state under this act; and

21  
22 (C) A stop order of which the offeror is  
23 aware has not been issued by the secretary of state under  
24 this act and an audit, inspection, or proceeding that may  
25 culminate in a stop order is not known by the offeror to be  
26 pending.

27  
28 (xviii) A transaction involving the distribution  
29 of the securities of an issuer to the security holders of  
30 another person in connection with a merger, consolidation,  
31 exchange of securities, sale of assets, or other  
32 reorganization to which the issuer, or its parent or  
33 subsidiary and the other person, or its parent or  
34 subsidiary, are parties;

35  
36 (xix) A rescission offer, sale, or purchase  
37 under W.S. 17-4-510;

38  
39 (xx) An offer or sale of a security to a person  
40 not a resident of this state and not present in this state  
41 if the offer or sale does not constitute a violation of the  
42 laws of the state or foreign jurisdiction in which the  
43 offeree or purchaser is present and is not part of an  
44 unlawful plan or scheme to evade this act;

45

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

10  
11           (A) Directors; general partners; trustees,  
12 if the issuer is a business trust; officers; consultants;  
13 and advisers;

14  
15           (B) Family members who acquire such  
16 securities from those persons through gifts or domestic  
17 relations orders;

18  
19           (C) Former employees, directors, general  
20 partners, trustees, officers, consultants, and advisers if  
21 those individuals were employed by or providing services to  
22 the issuer when the securities were offered; and

23  
24           (D) Insurance agents who are exclusive  
25 insurance agents of the issuer, or the issuer's  
26 subsidiaries or parents, or who derive more than fifty  
27 percent (50%) of their annual income from those  
28 organizations.

29  
30           (xxii) A transaction involving:

31  
32           (A) A stock dividend or equivalent equity  
33 distribution, whether the corporation or other business  
34 organization distributing the dividend or equivalent equity  
35 distribution is the issuer or not, if nothing of value is  
36 given by stockholders or other equity holders for the  
37 dividend or equivalent equity distribution other than the  
38 surrender of a right to a cash or property dividend if each  
39 stockholder or other equity holder may elect to take the  
40 dividend or equivalent equity distribution in cash,  
41 property, or stock;

42  
43           (B) An act incident to a judicially  
44 approved reorganization in which a security is issued in  
45 exchange for one (1) or more outstanding securities,

1 claims, or property interests, or partly in such exchange  
2 and partly for cash; or  
3

4 (C) The solicitation of tenders of  
5 securities by an offeror in a tender offer in compliance  
6 with rule 162 adopted under the Securities Act of 1933 (17  
7 C.F.R. 230.162).  
8

9 (xxiii) A nonissuer transaction in an  
10 outstanding security by or through a broker-dealer  
11 registered or exempt from registration under this act, if  
12 the issuer is a reporting issuer in a foreign jurisdiction  
13 designated by this paragraph or by rule adopted or order  
14 issued under this act; has been subject to continuous  
15 reporting requirements in the foreign jurisdiction for not  
16 less than one hundred eighty (180) days before the  
17 transaction; and the security is listed on the foreign  
18 jurisdiction's securities exchange that has been designated  
19 by this paragraph or by rule adopted or order issued under  
20 this act, or is a security of the same issuer that is of  
21 senior or substantially equal rank to the listed security  
22 or is a warrant or right to purchase or subscribe to any of  
23 the foregoing. For purposes of this paragraph, Canada,  
24 together with its provinces and territories, is a  
25 designated foreign jurisdiction and the Toronto Stock  
26 Exchange, Inc., is a designated securities exchange. After  
27 an administrative hearing in compliance with the Wyoming  
28 Administrative Procedure Act, the secretary of state, by  
29 rule adopted or order issued under this act, may revoke the  
30 designation of a securities exchange under this paragraph,  
31 if the secretary of state finds that revocation is  
32 necessary or appropriate in the public interest and for the  
33 protection of investors.  
34

35 **17-4-203. Intrastate crowdfunding exemption.**  
36

37 (a) Except as otherwise provided in this act, an  
38 offer or sale of a security by an issuer is exempt from the  
39 requirements of W.S. 17-4-301 through 17-4-306 and 17-4-504  
40 if the offer or sale meets all of the following  
41 requirements:  
42

43 (i) The issuer of the security is an entity that  
44 is incorporated or organized under the laws of this state  
45 and is authorized to do business in this state;



1  
2 (ii) The transaction meets the requirements for  
3 the federal exemption for intrastate offerings under  
4 section 3(a)(11) of the Securities Act of 1933, (15 U.S.C.  
5 77c(a)(11)), and securities and exchange commission rule  
6 147, (17 C.F.R. 230.147), including, but not limited to,  
7 the requirements for determining whether an offeree or  
8 purchaser is a resident of this state. All of the following  
9 apply concerning these requirements:

10  
11 (A) Each of the following is prima facie  
12 evidence that an individual is a resident of this state:

13 (I) A valid operator's license,  
14 chauffeur's license, or official personal identification  
15 card issued by this state;

16  
17 (II) A current Wyoming voter  
18 registration;

19  
20 (III) Is a resident of this state as  
21 defined by W.S. 22-1-102(a)(xxx); or

22  
23 (IV) Any other record or documents  
24 issued by this state that establishes that the purchaser's  
25 principal residence is in this state.

26  
27 (B) The provisions of securities and  
28 exchange commission rule 147, (17 C.F.R. 230.147), apply in  
29 determining the residency of an offeree or purchaser that  
30 is a corporation, partnership, trust, or other form of  
31 business organization;

32  
33 (C) If a purchaser of a security that is  
34 exempt under this section resells that security within nine  
35 (9) months after the closing of the particular offering in  
36 which the purchaser obtained that security to a person that  
37 is not a resident of this state, the original investment  
38 agreement between the issuer and the purchaser is void. If  
39 an agreement to purchase, or the purchase of, a security is  
40 void under this subparagraph, the issuer may recover  
41 damages from the misrepresenting offeree or purchaser.  
42 These damages include, but are not limited to, the issuer's  
43 expenses in resolving the misrepresentation. However,  
44

1 damages described in this subparagraph shall not exceed the  
2 amount of the person's investment in the security.

3  
4 (iii) The sum of all cash and other  
5 consideration to be received for all sales of the security  
6 in reliance on this exemption does not exceed the following  
7 amounts:

8  
9 (A) One million dollars (\$1,000,000.00),  
10 less the aggregate amount received for all sales of  
11 securities by the issuer within the twelve (12) months  
12 before the first offer or sale made in reliance on this  
13 exemption, if the issuer has not made available to each  
14 prospective purchaser and the secretary of state audited  
15 financial statements or reviewed financial statements for  
16 the issuer's most recently completed fiscal year, prepared  
17 by a certified public accountant, holding a certificate  
18 pursuant to W.S. 33-3-109, in accordance with the  
19 statements on auditing standards of the American Institute  
20 of Certified Public Accountants or the statements on  
21 standards for accounting and review services of the  
22 American Institute of Certified Public Accountants, as  
23 applicable;

24  
25 (B) Two million dollars (\$2,000,000.00),  
26 less the aggregate amount received for all sales of  
27 securities by the issuer within the twelve (12) months  
28 before the first offer or sale made in reliance on this  
29 exemption, if the issuer has made available to each  
30 prospective purchaser and the secretary of state audited  
31 financial statements or reviewed financial statements for  
32 the issuer's most recently completed fiscal year, prepared  
33 by a certified public accountant, holding a certificate  
34 pursuant to W.S. 33-3-109, in accordance with the  
35 statements on auditing standards of the American Institute  
36 of Certified Public Accountants or the statements on  
37 standards for accounting and review services of the  
38 American Institute of Certified Public Accountants, as  
39 applicable.

40  
41 (iv) The issuer has not accepted more than five  
42 thousand dollars (\$5,000.00) from any single purchaser  
43 unless the purchaser is an accredited investor as defined  
44 by rule 501 of securities and exchange commission  
45 regulation D, (17 C.F.R. 230.501). The issuer may rely on

1 confirmation that the purchaser is an accredited investor  
2 from a licensed broker-dealer or another third party in  
3 making a determination that the purchaser is an accredited  
4 investor;

5  
6 (v) At least ten (10) days before an offer of  
7 securities is made in reliance on this exemption or the use  
8 of any publicly available website in connection with an  
9 offering of securities in reliance on this exemption, the  
10 issuer files a notice with the secretary of state, in  
11 writing or in electronic form as specified by the secretary  
12 of state, that contains all of the following:

13  
14 (A) A notice of claim of exemption from  
15 registration, specifying that the issuer intends to conduct  
16 an offering in reliance on this exemption, accompanied by  
17 the filing fee specified in this section;

18  
19 (B) A copy of the disclosure statement to  
20 be provided to prospective investors in connection with the  
21 offering. The disclosure statement must contain all of the  
22 following:

23  
24 (I) A description of the issuer,  
25 including its type of entity, the address and telephone  
26 number of its principal office, its formation history, its  
27 business plan, and the intended use of the offering  
28 proceeds, including any amounts to be paid, as compensation  
29 or otherwise, to any owner, executive officer, director,  
30 managing member, or other person occupying a similar status  
31 or performing similar functions on behalf of the issuer;

32  
33 (II) The identity of each person that  
34 owns more than ten percent (10%) of the ownership interests  
35 of any class of securities of the issuer;

36  
37 (III) The identity of the executive  
38 officers, directors, and managing members of the issuer,  
39 and any other individuals who occupy similar status or  
40 perform similar functions in the name of and on behalf of  
41 the issuer, including their titles and their prior  
42 experience;

43  
44 (IV) The terms and conditions of the  
45 securities being offered and of any outstanding securities

1 of the issuer, the minimum and maximum amount of securities  
2 being offered, if any, and either the percentage ownership  
3 of the issuer represented by the offered securities or the  
4 valuation of the issuer implied by the price of the offered  
5 securities;

6  
7 (V) The identity of any person that  
8 the issuer has or intends to retain to assist the issuer in  
9 conducting the offering and sale of the securities,  
10 including the owner of any websites, if known, but  
11 excluding any person acting solely as an accountant or  
12 attorney and any employees whose primary job  
13 responsibilities involve the operating business of the  
14 issuer rather than assisting the issuer in raising capital,  
15 and for each person identified in response to this  
16 subdivision, a description of the consideration being paid  
17 to that person for that assistance;

18  
19 (VI) A description of any litigation  
20 or legal proceedings involving the issuer or its  
21 management;

22  
23 (VII) The name and address of any  
24 website that the issuer intends to use in connection with  
25 the offering, including its uniform resource locator (URL).  
26 If the issuer has not engaged a website described in this  
27 subdivision at the time the issuer files the disclosure  
28 statement described in this subparagraph with the secretary  
29 of state under this paragraph but subsequently does engage  
30 a website for use in connection with the offering, the  
31 issuer shall provide the information described in this  
32 subdivision to the secretary of state by filing a  
33 supplemental notice.

34  
35 (C) An escrow agreement with a bank or  
36 other depository institution located in this state, in  
37 which the purchaser funds will be deposited, that provides  
38 that all offering proceeds will be released to the issuer  
39 only when the aggregate capital raised from all purchasers  
40 is equal to or greater than the minimum target offering  
41 amount specified in the disclosure statement as necessary  
42 to implement the business plan and that all purchasers will  
43 receive a return of their subscription funds if that target  
44 offering amount is not raised by the time stated in the  
45 disclosure statement. The bank or other depository

1 institution may contract with the issuer to collect  
2 reasonable fees for its escrow services regardless of  
3 whether the target offering amount is reached.  
4

5 (vi) The issuer is not, either before or as a  
6 result of the offering, an investment company, as defined  
7 in section 3 of the Investment Company Act of 1940, (15  
8 U.S.C. § 80a-3), or an entity that would be an investment  
9 company but for the exclusions provided in subsection (c)  
10 of that section, or subject to the reporting requirements  
11 of section 13 or 15(d) of the Securities Exchange Act of  
12 1934, (15 U.S.C. §§ 78m and 78o(d));  
13

14 (vii) The issuer informs each prospective  
15 purchaser that the securities are not registered under  
16 federal or state securities laws and that the securities  
17 are subject to limitations on transfer or resale and  
18 displays the following legend conspicuously on the cover  
19 page of the disclosure statement:  
20

21 "IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY ON  
22 THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE  
23 OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE  
24 SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR  
25 STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY.  
26 FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED  
27 THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT.  
28 ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.  
29 THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON  
30 TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR  
31 RESOLD EXCEPT AS PERMITTED BY SUBSECTION (E) OF SEC RULE  
32 147, (17 C.F.R. 230.147(E)), AS PROMULGATED UNDER THE  
33 SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE  
34 STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR  
35 EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY  
36 WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS  
37 INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."  
38

39 (viii) The issuer requires each purchaser to  
40 certify in writing, and to include as part of that  
41 certification his signature, and his initials next to each  
42 paragraph of the certification, as follows:  
43

44 "I understand and acknowledge that:  
45

1 I am investing in a high-risk, speculative business  
2 venture. I may lose all of my investment, and I can afford  
3 the loss of my investment. This offering has not been  
4 reviewed or approved by any state or federal securities  
5 commission or other regulatory authority and that no  
6 regulatory authority has confirmed the accuracy or  
7 determined the adequacy of any disclosure made to me  
8 relating to this offering.

9  
10 The securities I am acquiring in this offering are  
11 illiquid, that the securities are subject to possible  
12 dilution, that there is no ready market for the sale of  
13 those securities, that it may be difficult or impossible  
14 for me to sell or otherwise dispose of this investment, and  
15 that, accordingly, I may be required to hold this  
16 investment indefinitely.

17  
18 I may be subject to tax on my share of the taxable income  
19 and losses of the issuer, whether or not I have sold or  
20 otherwise disposed of my investment or received any  
21 dividends or other distributions from the issuer.

22  
23 By entering into this transaction with the issuer, I am  
24 affirmatively representing myself as being a Wyoming  
25 resident at the time that this contract is formed, and if  
26 this representation is subsequently shown to be false, the  
27 contract is void.

28  
29 If I resell any of the securities I am acquiring in this  
30 offering to a person that is not a Wyoming resident, within  
31 nine (9) months after the closing of the offering, my  
32 contract with the issuer for the purchase of these  
33 securities is void."

34  
35 (ix) If the offer and sale of securities under  
36 this section is made through an internet website, all of  
37 the following requirements must be met:

38  
39 (A) Before any offer of an investment  
40 opportunity to residents of this state through the use of a  
41 website, the issuer provides to the website and to the  
42 secretary of state evidence that the issuer is organized  
43 under the laws of this state and that it is authorized to  
44 do business in this state;

45

1 (B) The issuer obtains from each purchaser  
2 of a security under this section evidence that the  
3 purchaser is a resident of this state and, if applicable,  
4 an accredited investor;

5  
6 (C) The website operator files a written  
7 notice with the secretary of state that includes the  
8 website operator's name, business address, and contact  
9 information and states that it is authorized to do business  
10 in this state and is being utilized to offer and sell  
11 securities under this exemption. Beginning twelve (12)  
12 months after the date of the written notice, a website  
13 operator that has filed a written notice under this  
14 subparagraph shall annually notify the secretary of state  
15 in writing of any changes in the information provided to  
16 the secretary of state under this subparagraph and shall  
17 pay a renewal fee;

18  
19 (D) The issuer and the website keep and  
20 maintain records of the offers and sales of securities made  
21 through the website and provide ready access to the records  
22 to the secretary of state on request. The secretary of  
23 state may access, inspect, and review any website described  
24 in this paragraph and its records.

25  
26 (x) All payments for the purchase of securities  
27 are directed to and held by the bank or depository  
28 institution subject to the provisions of subparagraph  
29 (v) (C) of this subsection;

30  
31 (xi) Offers or sales of a security are not made  
32 through an internet website unless the website has filed  
33 the written notice required under subparagraph (ix) (C) of  
34 this subsection with the secretary of state;

35  
36 (xii) The issuer does not pay, directly or  
37 indirectly, any commission or remuneration to an executive  
38 officer, director, managing member, or other individual who  
39 has a similar status or performs similar functions in the  
40 name of and on behalf of the issuer for offering or selling  
41 the securities unless he or she is registered as a  
42 broker-dealer, investment adviser, or investment adviser  
43 representative under article 4 of this act. An executive  
44 officer, director, managing member, or other individual who  
45 has a similar status or performs similar functions in the

1 name of and on behalf of the issuer is exempt from the  
2 registration requirements under article 4 of this act if he  
3 or she does not receive, directly or indirectly, any  
4 commission or remuneration for offering or selling  
5 securities of the issuer that are exempt from registration  
6 under this section;

7  
8 (xiii) The issuer provides a copy of the  
9 disclosure statement provided to the secretary of state  
10 under subparagraph (v)(B) of this subsection to each  
11 prospective purchaser at the time the offer of securities  
12 is made to the prospective purchaser. In addition to the  
13 information described in subparagraph (v)(B) of this  
14 subsection, the disclosure statement provided to the  
15 secretary of state and to prospective purchasers shall  
16 include additional information material to the offering,  
17 including, where appropriate, a discussion of significant  
18 factors that make the offering speculative or risky. This  
19 discussion must be concise and organized logically and  
20 should not present risks that could apply to any issuer or  
21 any offering;

22  
23 (xiv) The term of the offering does not exceed  
24 twelve (12) months after the date of the first offer.

25  
26 (b) If the offer and sale of a security of an issuer  
27 is exempt under this section, the issuer shall provide a  
28 quarterly report to the issuer's purchasers until none of  
29 the securities issued under this section are outstanding.  
30 All of the following apply to the quarterly report  
31 described in this subsection:

32  
33 (i) The issuer shall provide the report free of  
34 charge to the purchasers;

35  
36 (ii) An issuer may satisfy the report  
37 requirement under this subsection by making the information  
38 available on an internet website if the information is made  
39 available within forty-five (45) days after the end of each  
40 fiscal quarter and remains available until the next  
41 quarterly report is issued;

42  
43 (iii) The issuer shall file each report with the  
44 secretary of state and must provide a written copy of the  
45 report to any purchaser on request;



1  
2 (iv) The report must include all of the  
3 following:

4  
5 (A) The compensation received by each  
6 director and executive officer of the issuer, including  
7 cash compensation earned since the previous report and on  
8 an annual basis and any bonuses, stock options, other  
9 rights to receive securities of the issuer or any affiliate  
10 of the issuer, or other compensation received;

11  
12 (B) An analysis by management of the issuer  
13 of the business operations and financial condition of the  
14 issuer.

15  
16 (c) The exemption provided in this section shall not  
17 be used in conjunction with any other exemption under this  
18 article, except offers and sales to controlling persons  
19 shall not count toward the limitation in paragraph (a)(iii)  
20 of this section.

21  
22 (d) The exemption described in this section does not  
23 apply if an issuer or person that is affiliated with the  
24 issuer or offering is subject to any disqualification  
25 established by the secretary of state by rule or contained  
26 in rule 262 as promulgated under the Securities Act of  
27 1933, (17 C.F.R. 230.262). However, this subsection does  
28 not apply if both of the following are met:

29  
30 (i) On a showing of good cause and without  
31 prejudice to any other action by the secretary of state,  
32 the secretary of state determines that it is not necessary  
33 under the circumstances that an exemption be denied; and

34  
35 (ii) The issuer establishes that it made factual  
36 inquiry into whether any disqualification existed under  
37 this subsection but did not know, and in the exercise of  
38 reasonable care could not have known, that a  
39 disqualification existed under this subsection. The nature  
40 and scope of the requisite inquiry will vary based on the  
41 circumstances of the issuer and the other offering  
42 participants.

43  
44 (e) The secretary of state may adopt rules to  
45 implement the provisions of this section and to protect

1 purchasers that purchase securities that are exempt from  
2 registration under this section.

3  
4 (f) The secretary of state shall charge a  
5 nonrefundable filing fee for filing an exemption notice  
6 required under subsection (a) of this section according to  
7 the following conditions:

8  
9 (i) If the offering is being made by the issuer  
10 the filing fee is two hundred dollars (\$200.00);

11  
12 (ii) Internet websites filing written notice  
13 shall pay a filing fee of one hundred dollars (\$100.00),  
14 for a period of twelve (12) consecutive months following  
15 the date of written notice. Internet websites may file  
16 renewal notices every twelve (12) months accompanied by a  
17 one hundred dollar (\$100.00) renewal fee.

18  
19 (g) A website through which an offer or sale of  
20 securities under this section is made is not subject to the  
21 broker-dealer, investment adviser, or investment adviser  
22 representative registration requirements under article 4 of  
23 this act if the website meets all of the following  
24 conditions:

25  
26 (i) It does not offer investment advice or  
27 recommendations;

28  
29 (ii) It does not solicit purchases, sales, or  
30 offers to buy the securities offered or displayed on the  
31 website;

32  
33 (iii) It does not compensate employees, agents,  
34 or other persons for the solicitation or based on the sale  
35 of securities displayed or referenced on the website;

36  
37 (iv) It does not hold, manage, possess, or  
38 otherwise handle purchaser funds or securities;

39  
40 (v) It does not engage in any other activities  
41 that the secretary of state by rule determines are  
42 inappropriate for an exemption from the registration  
43 requirements under article 4 of this act.

44

1 (h) Except for W.S. 17-4-504, article 5 of this act  
2 applies to a violation of this section, including a  
3 violation concerning website operation.  
4

5 (j) As used in this section, "controlling person"  
6 means an officer, director, partner, or trustee, or another  
7 individual who has similar status or performs similar  
8 functions, of or for the issuer or to a person that owns  
9 ten percent (10%) or more of the outstanding shares of any  
10 class or classes of securities of the issuer.  
11

12 (k) The exemption described in this section may be  
13 referred to as the "Wyoming Invests Now (WIN) exemption".  
14

15 **17-4-204. Additional exemptions and waivers.**  
16

17 A rule adopted or order issued under this act may exempt a  
18 security, transaction, or offer; a rule under this act may  
19 exempt a class of securities, transactions, or offers from  
20 any or all of the requirements of W.S. 17-4-301 through  
21 17-4-306 and 17-4-504; and an order under this act may  
22 waive, in whole or in part, any or all of the conditions  
23 for an exemption or offer under W.S. 17-4-201 through  
24 17-4-203.  
25

26 **17-4-205. Denial, suspension, revocation, condition,**  
27 **or limitation of exemptions.**  
28

29 (a) Except with respect to a federal covered security  
30 or a transaction involving a federal covered security, an  
31 order under this act may deny, suspend application of,  
32 condition, limit, or revoke an exemption created under W.S.  
33 17-4-201(a)(iii)(C), (vii) or (viii), or 17-4-202 and  
34 17-4-203, or an exemption or waiver created under W.S.  
35 17-4-204 with respect to a specific security, transaction,  
36 or offer. An order under this section may be issued only  
37 pursuant to the procedures in W.S. 17-4-306(d) or 17-4-604  
38 and only prospectively.  
39

40 (b) A person does not violate W.S. 17-4-301, 17-4-303  
41 through 17-4-306, 17-4-504, or 17-4-510 by an offer to  
42 sell, offer to purchase, sale, or purchase effected after  
43 the entry of an order issued under this section if the  
44 person did not know, and in the exercise of reasonable care  
45 could not have known, of the order.

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ARTICLE 3  
REGISTRATION OF SECURITIES AND NOTICE FILING OF FEDERAL  
COVERED SECURITIES

**17-4-301. Securities registration requirement.**

(a) It is unlawful for a person to offer or sell a security in this state unless:

(i) The security is a federal covered security;

(ii) The security, transaction, or offer is exempted from registration under W.S. 17-4-201 through 17-4-204; or

(iii) The security is registered under this act.

**17-4-302. Notice filing.**

(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 W.S. 17-4-201 through 17-4-204, a rule adopted or order issued under this act may require the filing of any or all of the following records:

(i) 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 W.S. 17-4-611 signed by the issuer and the payment of a fee of two hundred dollars (\$200.00);

(ii) 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; and

(iii) 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

1 with the securities and exchange commission and payment of  
2 a fee as set by rule.

3  
4 (b) A notice filing under subsection (a) of this  
5 section is effective for two (2) years commencing on the  
6 later of the notice filing or the effectiveness of the  
7 offering filed with the securities and exchange commission.  
8 On or before expiration, the issuer may renew a notice  
9 filing by filing a copy of those records filed by the  
10 issuer with the securities and exchange commission that are  
11 required by rule or order under this act to be filed and by  
12 paying a renewal fee as set by rule. A previously filed  
13 consent to service of process complying with W.S. 17-4-611  
14 may be incorporated by reference in a renewal. A renewed  
15 notice filing becomes effective upon the expiration of the  
16 filing being renewed.

17  
18 (c) With respect to a security that is a federal  
19 covered security under section 18(b)(4)(D) of the  
20 Securities Act of 1933 (15 U.S.C. § 77r(b)(4)(D)), a rule  
21 under this act may require a notice filing by or on behalf  
22 of an issuer to include a copy of Form D, including the  
23 appendix, as promulgated by the securities and exchange  
24 commission, and a consent to service of process complying  
25 with W.S. 17-4-611 signed by the issuer not later than  
26 fifteen (15) days after the first sale of the federal  
27 covered security in this state and the payment of a fee as  
28 set by rule; and the payment of a fee for any late filing  
29 as set by rule.

30  
31 (d) Except with respect to a federal security under  
32 section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. §  
33 77r(b)(1)), if the secretary of state finds that there is a  
34 failure to comply with a notice or fee requirement of this  
35 section, the secretary of state may issue a stop order  
36 suspending the offer and sale of a federal covered security  
37 in this state. If the deficiency is corrected, the stop  
38 order is void as of the time of its issuance and no penalty  
39 may be imposed by the secretary of state.

40  
41 **17-4-303. Securities registration by coordination.**

42  
43 (a) A security for which a registration statement has  
44 been filed under the Securities Act of 1933 in connection

1 with the same offering may be registered by coordination  
2 under this section.

3  
4 (b) A registration statement and accompanying records  
5 under this section must contain or be accompanied by the  
6 following records in addition to the information specified  
7 in W.S. 17-4-305 and a consent to service of process  
8 complying with W.S. 17-4-611:

9  
10 (i) A copy of the latest form of prospectus  
11 filed under the Securities Act of 1933;

12  
13 (ii) A copy of the articles of incorporation and  
14 bylaws or their substantial equivalents currently in  
15 effect; a copy of any agreement with or among underwriters;  
16 a copy of any indenture or other instrument governing the  
17 issuance of the security to be registered; and a specimen,  
18 copy, or description of the security that is required by  
19 rule adopted or order issued under this act;

20  
21 (iii) Copies of any other information or any  
22 other records filed by the issuer under the Securities Act  
23 of 1933 requested by the secretary of state; and

24  
25 (iv) An undertaking to forward each amendment to  
26 the federal prospectus, other than an amendment that delays  
27 the effective date of the registration statement, promptly  
28 after it is filed with the securities and exchange  
29 commission.

30  
31 (c) A registration statement under this section  
32 becomes effective simultaneously with or subsequent to the  
33 federal registration statement when all the following  
34 conditions are satisfied:

35  
36 (i) A stop order under subsection (d) of this  
37 section or W.S. 17-4-306 or issued by the securities and  
38 exchange commission is not in effect and a proceeding is  
39 not pending against the issuer under W.S. 17-4-306; and

40  
41 (ii) The registration statement has been on file  
42 for at least twenty (20) days or a shorter period provided  
43 by rule adopted or order issued under this act.

44

1 (d) The registrant shall promptly notify the  
2 secretary of state in a record of the date when the federal  
3 registration statement becomes effective and the content of  
4 any price amendment and shall promptly file a record  
5 containing the price amendment. If the notice is not timely  
6 received, the secretary of state may issue a stop order,  
7 without prior notice or hearing, retroactively denying  
8 effectiveness to the registration statement or suspending  
9 its effectiveness until compliance with this section. The  
10 secretary of state shall promptly notify the registrant of  
11 an order by telegram, telephone, or electronic means and  
12 promptly confirm this notice by a record. If the registrant  
13 subsequently complies with the notice requirements of this  
14 section, the stop order is void as of the date of its  
15 issuance.

16  
17 (e) If the federal registration statement becomes  
18 effective before each of the conditions in this section is  
19 satisfied or is waived by the secretary of state, the  
20 registration statement is automatically effective under  
21 this act when all the conditions are satisfied or waived.  
22 If the registrant notifies the secretary of state of the  
23 date when the federal registration statement is expected to  
24 become effective, the secretary of state shall promptly  
25 notify the registrant by telegram, telephone, or electronic  
26 means and promptly confirm this notice by a record,  
27 indicating whether all the conditions are satisfied or  
28 waived and whether the secretary of state intends the  
29 institution of a proceeding under W.S. 17-4-306. The notice  
30 by the secretary of state does not preclude the institution  
31 of such a proceeding.

32  
33 **17-4-304. Securities registration by qualification.**

34  
35 (a) A security may be registered by qualification  
36 under this section.

37  
38 (b) A registration statement under this section must  
39 contain the information or records specified in W.S.  
40 17-4-305, a consent to service of process complying with  
41 W.S. 17-4-611, and, if required by rule adopted under this  
42 act, the following information or records:

43  
44 (i) With respect to the issuer and any  
45 significant subsidiary, its name, address, and form of

1 organization; the state or foreign jurisdiction and date of  
2 its organization; the general character and location of its  
3 business; a description of its physical properties and  
4 equipment; and a statement of the general competitive  
5 conditions in the industry or business in which it is or  
6 will be engaged;

7  
8 (ii) With respect to each director and officer  
9 of the issuer, and other person having a similar status or  
10 performing similar functions, the person's name, address,  
11 and principal occupation for the previous five (5) years;  
12 the amount of securities of the issuer held by the person  
13 as of the thirtieth day before the filing of the  
14 registration statement; the amount of the securities  
15 covered by the registration statement to which the person  
16 has indicated an intention to subscribe; and a description  
17 of any material interest of the person in any material  
18 transaction with the issuer or a significant subsidiary  
19 effected within the previous three (3) years or proposed to  
20 be effected;

21  
22 (iii) With respect to persons covered by  
23 paragraph (ii) of this subsection, the aggregate sum of the  
24 remuneration paid to those persons during the previous  
25 twelve (12) months and estimated to be paid during the next  
26 twelve (12) months, directly or indirectly, by the issuer,  
27 and all predecessors, parents, subsidiaries, and affiliates  
28 of the issuer;

29  
30 (iv) With respect to a person owning of record  
31 or owning beneficially, if known, ten percent (10%) or  
32 more of the outstanding shares of any class of equity  
33 security of the issuer, the information specified in  
34 paragraph (ii) of this subsection other than the person's  
35 occupation;

36  
37 (v) With respect to a promoter, if the issuer  
38 was organized within the previous three (3) years, the  
39 information or records specified in paragraph (ii) of this  
40 subsection, any amount paid to the promoter within that  
41 period or intended to be paid to the promoter, and the  
42 consideration for the payment;

43  
44 (vi) With respect to a person on whose behalf  
45 any part of the offering is to be made in a nonissuer



1 distribution, the person's name and address; the amount of  
2 securities of the issuer held by the person as of the date  
3 of the filing of the registration statement; a description  
4 of any material interest of the person in any material  
5 transaction with the issuer or any significant subsidiary  
6 effected within the previous three (3) years or proposed to  
7 be effected; and a statement of the reasons for making the  
8 offering;

9  
10 (vii) The capitalization and long term debt, on  
11 both a current and pro forma basis, of the issuer and any  
12 significant subsidiary, including a description of each  
13 security outstanding or being registered or otherwise  
14 offered, and a statement of the amount and kind of  
15 consideration, whether in the form of cash, physical  
16 assets, services, patents, goodwill, or anything else of  
17 value, for which the issuer or any subsidiary has issued  
18 its securities within the previous two (2) years or is  
19 obligated to issue its securities;

20  
21 (viii) The kind and amount of securities to be  
22 offered; the proposed offering price or the method by which  
23 it is to be computed; any variation at which a proportion  
24 of the offering is to be made to a person or class of  
25 persons other than the underwriters, with a specification  
26 of the person or class; the basis on which the offering is  
27 to be made if otherwise than for cash; the estimated  
28 aggregate underwriting and selling discounts or commissions  
29 and finders' fees, including separately cash, securities,  
30 contracts, or anything else of value to accrue to the  
31 underwriters or finders in connection with the offering or,  
32 if the selling discounts or commissions are variable, the  
33 basis of determining them and their maximum and minimum  
34 amounts; the estimated amounts of other selling expenses,  
35 including legal, engineering, and accounting charges; the  
36 name and address of each underwriter and each recipient of  
37 a finder's fee; a copy of any underwriting or selling group  
38 agreement under which the distribution is to be made or the  
39 proposed form of any such agreement whose terms have not  
40 yet been determined; and a description of the plan of  
41 distribution of any securities that are to be offered  
42 otherwise than through an underwriter;

43  
44 (ix) The estimated monetary proceeds to be  
45 received by the issuer from the offering; the purposes for

1 which the proceeds are to be used by the issuer; the  
2 estimated amount to be used for each purpose; the order or  
3 priority in which the proceeds will be used for the  
4 purposes stated; the amounts of any funds to be raised from  
5 other sources to achieve the purposes stated; the sources  
6 of the funds; and, if a part of the proceeds is to be used  
7 to acquire property, including goodwill, otherwise than in  
8 the ordinary course of business, the names and addresses of  
9 the vendors, the purchase price, the names of any persons  
10 that have received commissions in connection with the  
11 acquisition, and the amounts of the commissions and other  
12 expenses in connection with the acquisition, including the  
13 cost of borrowing money to finance the acquisition;

14  
15 (x) A description of any stock options or other  
16 security options outstanding, or to be created in  
17 connection with the offering, and the amount of those  
18 options held or to be held by each person required to be  
19 named in paragraph (ii), (iv), (v), (vi), or (viii) of this  
20 subsection and by any person that holds or will hold ten  
21 percent (10%) or more in the aggregate of those options;

22  
23 (xi) The dates of, parties to, and general  
24 effect concisely stated of each managerial or other  
25 material contract made or to be made otherwise than in the  
26 ordinary course of business to be performed in whole or in  
27 part at or after the filing of the registration statement  
28 or that was made within the previous two (2) years, and a  
29 copy of the contract;

30  
31 (xii) A description of any pending litigation,  
32 action, or proceeding to which the issuer is a party and  
33 that materially affects its business or assets, and any  
34 litigation, action, or proceeding known to be contemplated  
35 by governmental authorities;

36  
37 (xiii) A copy of any prospectus, pamphlet,  
38 circular, form letter, advertisement, or other sales  
39 literature intended as of the effective date to be used in  
40 connection with the offering and any solicitation of  
41 interest used in compliance with W.S. 17-4-202(a)(xvii)(B);

42  
43 (xiv) A specimen or copy of the security being  
44 registered, unless the security is uncertificated; a copy  
45 of the issuer's articles of incorporation and bylaws or

1 their substantial equivalents, in effect; and a copy of any  
2 indenture or other instrument covering the security to be  
3 registered;

4  
5 (xv) A signed or conformed copy of an opinion of  
6 counsel concerning the legality of the security being  
7 registered, with an English translation if it is in a  
8 language other than English, which states whether the  
9 security when sold will be validly issued, fully paid, and  
10 nonassessable and, if a debt security, a binding obligation  
11 of the issuer;

12  
13 (xvi) A signed or conformed copy of a consent of  
14 any accountant, engineer, appraiser, or other person whose  
15 profession gives authority for a statement made by the  
16 person, if the person is named as having prepared or  
17 certified a report or valuation, other than an official  
18 record, that is public, which is used in connection with  
19 the registration statement;

20  
21 (xvii) A balance sheet of the issuer as of a  
22 date within four (4) months before the filing of the  
23 registration statement; a statement of income and a  
24 statement of cash flows for each of the three (3) fiscal  
25 years preceding the date of the balance sheet and for any  
26 period between the close of the immediately previous fiscal  
27 year and the date of the balance sheet, or for the period  
28 of the issuer's and any predecessor's existence if less  
29 than three (3) years; and, if any part of the proceeds of  
30 the offering is to be applied to the purchase of a  
31 business, the financial statements that would be required  
32 if that business were the registrant; and

33  
34 (xviii) Any additional information or records  
35 required by rule adopted or order issued under this act.

36  
37 (c) A registration statement under this section  
38 becomes effective when the secretary of state so orders.

39  
40 (d) A rule adopted or order issued under this act may  
41 require as a condition of registration under this section  
42 that a prospectus containing a specified part of the  
43 information or record specified in subsection (b) of this  
44 section be sent or given to each person to which an offer  
45 is made, before or concurrently, with the earliest of:

1  
2 (i) The first offer made in a record to the  
3 person otherwise than by means of a public advertisement,  
4 by or for the account of the issuer or another person on  
5 whose behalf the offering is being made or by an  
6 underwriter or broker-dealer that is offering part of an  
7 unsold allotment or subscription taken by the person as a  
8 participant in the distribution;

9  
10 (ii) The confirmation of a sale made by or for  
11 the account of the person;

12  
13 (iii) Payment pursuant to such a sale; or

14  
15 (iv) Delivery of the security pursuant to such a  
16 sale.

17  
18 **17-4-305. Securities registration filings.**

19  
20 (a) A registration statement may be filed by the  
21 issuer, a person on whose behalf the offering is to be  
22 made, or a broker-dealer registered under this act.

23  
24 (b) A person filing a registration statement shall  
25 pay a filing fee of one-fiftieth of one percent (.0002) of  
26 the total dollar offering amount to be offered in this  
27 state, but the fee shall in no case be less than two  
28 hundred dollars (\$200.00) nor more than six hundred dollars  
29 (\$600.00) when filing an initial registration statement or  
30 renewing a previously filed registration statement. If a  
31 registration statement is withdrawn before the effective  
32 date or a preeffective stop order is issued under W.S.  
33 17-4-306 the secretary of state shall retain one hundred  
34 dollars (\$100.00) of the fee.

35  
36 (c) A registration statement filed under W.S.  
37 17-4-303 or 17-4-304 must specify:

38  
39 (i) The amount of securities to be offered in  
40 this state;

41  
42 (ii) The states in which a registration  
43 statement or similar record in connection with the offering  
44 has been or is to be filed; and

45

1 (iii) Any adverse order, judgment, or decree  
2 issued in connection with the offering by a state  
3 securities regulator, the securities and exchange  
4 commission, or a court.

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

11  
12 (e) In the case of a nonissuer distribution,  
13 information or a record may not be required under  
14 subsection (j) of this section or W.S. 17-4-304, unless it  
15 is known to the person filing the registration statement or  
16 to the person on whose behalf the distribution is to be  
17 made or unless it can be furnished by those persons without  
18 unreasonable effort or expense.

19  
20 (f) A rule adopted or order issued under this act may  
21 require as a condition of registration that a security  
22 issued within the previous five (5) years or to be issued  
23 to a promoter for a consideration substantially less than  
24 the public offering price or to a person for a  
25 consideration other than cash be deposited in escrow; and  
26 that the proceeds from the sale of the registered security  
27 in this state be impounded until the issuer receives a  
28 specified amount from the sale of the security either in  
29 this state or elsewhere. The conditions of any escrow or  
30 impoundment required under this subsection may be  
31 established by rule adopted or order issued under this act,  
32 but the secretary of state may not reject a depository  
33 institution solely because of its location in another  
34 state.

35  
36 (g) A rule adopted or order issued under this act may  
37 require as a condition of registration that a security  
38 registered under this act be sold only on a specified form  
39 of subscription or sale contract and that a signed or  
40 conformed copy of each contract be filed under this act or  
41 preserved for a period specified by the rule or order,  
42 which may not be longer than five (5) years.

43  
44 (h) Except while a stop order is in effect under W.S.  
45 17-4-306, a registration statement is effective for one (1)

1 year after its effective date, or for any longer period  
2 designated in an order under this act during which the  
3 security is being offered or distributed in a nonexempted  
4 transaction by or for the account of the issuer or other  
5 person on whose behalf the offering is being made or by an  
6 underwriter or broker-dealer that is still offering part of  
7 an unsold allotment or subscription taken as a participant  
8 in the distribution. For the purposes of a nonissuer  
9 transaction, all outstanding securities of the same class  
10 identified in the registration statement as a security  
11 registered under this act are considered to be registered  
12 while the registration statement is effective. If any  
13 securities of the same class are outstanding, a  
14 registration statement may not be withdrawn until one (1)  
15 year after its effective date. A registration statement may  
16 be withdrawn only with the approval of the secretary of  
17 state.

18

19 (j) While a registration statement is effective, a  
20 rule adopted or order issued under this act may require the  
21 person that filed the registration statement to file  
22 reports, not more often than quarterly, to keep the  
23 information or other record in the registration statement  
24 reasonably current and to disclose the progress of the  
25 offering.

26

27 (k) A registration statement may be amended after its  
28 effective date. The post effective amendment becomes  
29 effective when the secretary of state so orders. If a post  
30 effective amendment is made to increase the number of  
31 securities specified to be offered or sold, the person  
32 filing the amendment shall pay a registration fee specified  
33 in subsection (b) of this section. A post effective  
34 amendment relates back to the date of the offering of the  
35 additional securities being registered if, within one (1)  
36 year after the date of the sale, the amendment is filed and  
37 the additional registration fee is paid.

38

39 **17-4-306. Denial, suspension, and revocation of**  
40 **securities registration.**

41

42 (a) The secretary of state may issue a stop order  
43 denying effectiveness to, or suspending or revoking the  
44 effectiveness of, a registration statement if the secretary

1 of state finds that the order is in the public interest and  
2 that:

3  
4 (i) The registration statement as of its  
5 effective date or before the effective date in the case of  
6 an order denying effectiveness, an amendment under W.S.  
7 17-4-305(k) as of its effective date, or a report under  
8 W.S. 17-4-305(j), is incomplete in a material respect or  
9 contains a statement that, in the light of the  
10 circumstances under which it was made, was false or  
11 misleading with respect to a material fact;

12  
13 (ii) This act or a rule adopted or order issued  
14 under this act or a condition imposed under this act has  
15 been willfully violated, in connection with the offering,  
16 by the person filing the registration statement; by the  
17 issuer, a partner, officer, or director of the issuer or a  
18 person having a similar status or performing a similar  
19 function; a promoter of the issuer; or a person directly or  
20 indirectly controlling or controlled by the issuer; but  
21 only if the person filing the registration statement is  
22 directly or indirectly controlled by or acting for the  
23 issuer; or by an underwriter;

24  
25 (iii) The security registered or sought to be  
26 registered is the subject of a permanent or temporary  
27 injunction of a court of competent jurisdiction or an  
28 administrative stop order or similar order issued under any  
29 federal, foreign, or state law other than this act  
30 applicable to the offering, but the secretary of state may  
31 not institute a proceeding against an effective  
32 registration statement under this paragraph more than one  
33 (1) year after the date of the order or injunction on which  
34 it is based, and the secretary of state may not issue an  
35 order under this paragraph on the basis of an order or  
36 injunction issued under the securities act of another state  
37 unless the order or injunction was based on conduct that  
38 would constitute, as of the date of the order, a ground for  
39 a stop order under this section;

40  
41 (iv) The issuer's enterprise or method of  
42 business includes or would include activities that are  
43 unlawful where performed;

44

1 (v) With respect to a security sought to be  
2 registered under W.S. 17-4-303, there has been a failure to  
3 comply with the undertaking required by W.S.  
4 17-4-303(b) (iv);

5  
6 (vi) The applicant or registrant has not paid  
7 the filing fee, but the secretary of state shall void the  
8 order if the deficiency is corrected; or

9  
10 (vii) The offering:

11  
12 (A) Will work or tend to work a fraud upon  
13 purchasers or would so operate;

14  
15 (B) Has been or would be made with  
16 unreasonable amounts of underwriters' and sellers'  
17 discounts, commissions, or other compensation, or  
18 promoters' profits or participations, or unreasonable  
19 amounts or kinds of options; or

20  
21 (C) Is being made on terms that are unfair,  
22 unjust, or inequitable.

23  
24 (b) To the extent practicable, the secretary of state  
25 by rule adopted or order issued under this act shall  
26 publish standards that provide notice of conduct that  
27 violates paragraph (a)(vii) of this section.

28  
29 (c) The secretary of state may not institute a stop  
30 order proceeding against an effective registration  
31 statement on the basis of conduct or a transaction known to  
32 the secretary of state when the registration statement  
33 became effective unless the proceeding is instituted within  
34 thirty (30) days after the registration statement became  
35 effective.

36  
37 (d) The secretary of state may summarily revoke,  
38 deny, postpone, or suspend the effectiveness of a  
39 registration statement pending final determination of an  
40 administrative proceeding. Upon the issuance of the order,  
41 the secretary of state shall promptly notify each person  
42 specified in subsection (e) of this section that the order  
43 has been issued, the reasons for the revocation, denial,  
44 postponement, or suspension, and that within fifteen (15)  
45 days after the receipt of a request in a record from the



1 person the matter will be scheduled for a hearing. If a  
2 hearing is not requested and none is ordered by the  
3 secretary of state, within thirty (30) days after the date  
4 of service of the order, the order becomes final. If a  
5 hearing is requested or ordered, the secretary of state,  
6 after notice of and opportunity for hearing for each person  
7 subject to the order, may modify or vacate the order or  
8 extend the order until final determination.

9  
10 (e) A stop order may not be issued under this section  
11 without:

12  
13 (i) Appropriate notice to the applicant or  
14 registrant, the issuer, and the person on whose behalf the  
15 securities are to be or have been offered;

16  
17 (ii) An opportunity for hearing; and

18  
19 (iii) Findings of fact and conclusions of law in  
20 a record in accordance with the Wyoming Administrative  
21 Procedure Act.

22  
23 (f) The secretary of state may modify or vacate a  
24 stop order issued under this section if the secretary of  
25 state finds that the conditions that caused its issuance  
26 have changed or that it is necessary or appropriate in the  
27 public interest or for the protection of investors.

28  
29 **17-4-307. Waiver and modification.**

30  
31 The secretary of state may waive or modify, in whole or in  
32 part, any or all of the requirements of W.S. 17-4-302,  
33 17-4-303, and 17-4-304(b) or the requirement of any  
34 information or record in a registration statement or in a  
35 periodic report filed pursuant to W.S. 17-4-305(j).

36  
37 ARTICLE 4

38 BROKER-DEALERS, AGENTS, INVESTMENT ADVISERS, INVESTMENT  
39 ADVISER REPRESENTATIVES, AND FEDERAL COVERED INVESTMENT  
40 ADVISERS

41  
42 **17-4-401. Broker-dealers registration requirement and**  
43 **exemptions.**

44

1 (a) It is unlawful for a person to transact business  
2 in this state as a broker-dealer unless the person is  
3 registered under this act as a broker-dealer or is exempt  
4 from registration as a broker-dealer under subsection (b)  
5 or (d) of this section.  
6

7 (b) The following persons are exempt from the  
8 registration requirement of subsection (a) of this section:  
9

10 (i) A broker-dealer without a place of business  
11 in this state if its only transactions effected in this  
12 state are exclusively with or through:

13 (A) The issuer of the securities involved  
14 in the transactions;  
15

16 (B) A broker-dealer registered as a  
17 broker-dealer under this act or not required to be  
18 registered as a broker-dealer under this act;  
19

20 (C) An institutional investor;  
21

22 (D) A nonaffiliated federal covered  
23 investment adviser with investments under management in  
24 excess of one hundred million dollars (\$100,000,000.00)  
25 acting for the account of others pursuant to discretionary  
26 authority in a signed record;  
27

28 (E) A bona fide preexisting customer whose  
29 principal place of residence is not in this state and the  
30 person is registered as a broker-dealer under the  
31 Securities Exchange Act of 1934 or not required to be  
32 registered under the Securities Exchange Act of 1934 and is  
33 registered under the securities act of the state in which  
34 the customer maintains a principal place of residence;  
35

36 (F) A bona fide preexisting customer whose  
37 principal place of residence is in this state but was not  
38 present in this state when the customer relationship was  
39 established, if:  
40

41 (I) The broker-dealer is registered  
42 under the Securities Exchange Act of 1934 or not required  
43 to be registered under the Securities Exchange Act of 1934  
44 and is registered under the securities laws of the state in  
45

1 which the customer relationship was established and where  
2 the customer had maintained a principal place of residence;  
3 and  
4

5 (II) Within forty-five (45) days after  
6 the customer's first transaction in this state, the person  
7 files an application for registration as a broker-dealer in  
8 this state and a further transaction is not effected more  
9 than seventy-five (75) days after the date on which the  
10 application is filed, or, if earlier, the date on which the  
11 secretary of state notifies the person that the secretary  
12 of state has denied the application for registration or has  
13 stayed the pendency of the application for good cause.  
14

15 (G) Not more than one (1) customer in this  
16 state during the previous twelve (12) months, in addition  
17 to those customers specified in subparagraphs (A) through  
18 (F) and under subparagraph (H) of this paragraph, if the  
19 broker-dealer is registered under the Securities Exchange  
20 Act of 1934 or not required to be registered under the  
21 Securities Exchange Act of 1934 and is registered under the  
22 securities act of the state in which the broker-dealer has  
23 its principal place of business; and  
24

25 (H) Any other person exempted by rule  
26 adopted or order issued under this act.  
27

28 (ii) A person that deals solely in United States  
29 government securities and is supervised as a dealer in  
30 government securities by the board of governors of the  
31 federal reserve system, the comptroller of the currency,  
32 the federal deposit insurance corporation, or the office of  
33 thrift supervision.  
34

35 (c) It is unlawful for a broker-dealer, or for an  
36 issuer engaged in offering, offering to purchase,  
37 purchasing, or selling securities in this state, directly  
38 or indirectly, to employ or associate with an individual to  
39 engage in an activity related to securities transactions in  
40 this state if the registration of the individual is  
41 suspended or revoked or the individual is barred from  
42 employment or association with a broker-dealer, an issuer,  
43 an investment adviser, or a federal covered investment  
44 adviser by an order of the secretary of state under this  
45 act, the securities and exchange commission, or a

1 self-regulatory organization. A broker-dealer or issuer  
2 does not violate this subsection if the broker-dealer or  
3 issuer did not know and in the exercise of reasonable care  
4 could not have known, of the suspension, revocation, or  
5 bar. Upon request from a broker-dealer or issuer and for  
6 good cause, an order under this act may modify or waive, in  
7 whole or in part, the application of the prohibitions of  
8 this subsection to the broker-dealer.

9  
10 (d) A rule adopted or order issued under this act may  
11 permit:

12  
13 (i) A broker-dealer that is registered in Canada  
14 or other foreign jurisdiction and that does not have a  
15 place of business in this state to effect transactions in  
16 securities with or for, or attempt to effect the purchase  
17 or sale of any securities by:

18  
19 (A) An individual from Canada or other  
20 foreign jurisdiction who is temporarily present in this  
21 state and with whom the broker-dealer had a bona fide  
22 customer relationship before the individual entered the  
23 United States;

24  
25 (B) An individual from Canada or other  
26 foreign jurisdiction who is present in this state and whose  
27 transactions are in a self-directed tax advantaged  
28 retirement plan of which the individual is the holder or  
29 contributor in that foreign jurisdiction; or

30  
31 (C) An individual who is present in this  
32 state, with whom the broker-dealer customer relationship  
33 arose while the individual was temporarily or permanently  
34 resident in Canada or the other foreign jurisdiction.

35  
36 (ii) An agent who represents a broker-dealer  
37 that is exempt under this subsection to effect transactions  
38 in securities or attempt to effect the purchase or sale of  
39 securities in this state as permitted for a broker-dealer  
40 described in paragraph (i) of this subsection.

41  
42 **17-4-402. Agent registration requirement and**  
43 **exemptions.**  
44

1 (a) It is unlawful for an individual to transact  
2 business in this state as an agent unless the individual is  
3 registered under this act as an agent or is exempt from  
4 registration as an agent under subsection (b) of this  
5 section.

6  
7 (b) The following individuals are exempt from the  
8 registration requirement of subsection (a) of this section:

9  
10 (i) An individual who represents a broker-dealer  
11 in effecting transactions in this state limited to those  
12 described in section 15(h)(2) of the Securities Exchange  
13 Act of 1934 (15 U.S.C. § 78(o)(2));

14  
15 (ii) An individual who represents a  
16 broker-dealer that is exempt under W.S. 17-4-401(b) or (d);

17  
18 (iii) An individual who represents an issuer  
19 with respect to an offer or sale of the issuer's own  
20 securities or those of the issuer's parent or any of the  
21 issuer's subsidiaries, and who is not compensated in  
22 connection with the individual's participation by the  
23 payment of commissions or other remuneration based,  
24 directly or indirectly, on transactions in those  
25 securities;

26  
27 (iv) An individual who represents an issuer and  
28 who effects transactions in the issuer's securities  
29 exempted by W.S. 17-4-202, other than W.S. 17-4-202(a)(xi)  
30 and (xiv);

31  
32 (v) An individual who represents an issuer that  
33 effects transactions solely in federal covered securities  
34 of the issuer, but an individual who effects transactions  
35 in a federal covered security under section 18(b)(3) or  
36 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. §  
37 77r(b)(3) or 77r(b)(4)(D)) is not exempt if the individual  
38 is compensated in connection with the agent's participation  
39 by the payment of commissions or other remuneration based,  
40 directly or indirectly, on transactions in those  
41 securities;

42  
43 (vi) An individual who represents a  
44 broker-dealer registered in this state under W.S.  
45 17-4-401(a) or exempt from registration under W.S.

1 17-4-401(b) in the offer and sale of securities for an  
2 account of a nonaffiliated federal covered investment  
3 adviser with investments under management in excess of one  
4 hundred million dollars (\$100,000,000.00) acting for the  
5 account of others pursuant to discretionary authority in a  
6 signed record;

7  
8 (vii) An individual who represents an issuer in  
9 connection with the purchase of the issuer's own  
10 securities;

11  
12 (viii) An individual who represents an issuer  
13 and who restricts participation to performing clerical or  
14 ministerial acts; or

15  
16 (ix) Any other individual exempted by rule  
17 adopted or order issued under this act.

18  
19 (c) The registration of an agent is effective only  
20 while the agent is employed by or associated with a  
21 broker-dealer registered under this act or an issuer that  
22 is offering, selling, or purchasing its securities in this  
23 state.

24  
25 (d) It is unlawful for a broker-dealer, or an issuer  
26 engaged in offering, selling, or purchasing securities in  
27 this state, to employ or associate with an agent who  
28 transacts business in this state on behalf of  
29 broker-dealers or issuers unless the agent is registered  
30 under subsection (a) of this section or exempt from  
31 registration under subsection (b) of this section.

32  
33 **17-4-403. Investment adviser registration**  
34 **requirement.**

35  
36 (a) It is unlawful for a person to transact business  
37 in this state as an investment adviser unless the person is  
38 registered under this act as an investment adviser or is  
39 exempt from registration as an investment adviser under  
40 subsection (b) of this section.

41  
42 (b) The following persons are exempt from the  
43 registration requirement of subsection (a) of this section:  
44

1 (i) A person without a place of business in this  
2 state that is registered under the securities act of the  
3 state in which the person has its principal place of  
4 business if its only clients in this state are:

5  
6 (A) Federal covered investment advisers,  
7 investment advisers registered under this act, or  
8 broker-dealers registered under this act;

9  
10 (B) Institutional investors;

11  
12 (C) Bona fide preexisting clients whose  
13 principal places of residence are not in this state if the  
14 investment adviser is registered under the securities act  
15 of the state in which the clients maintain principal places  
16 of residence; or

17  
18 (D) Any other client exempted by rule  
19 adopted or order issued under this act.

20  
21 (ii) A person without a place of business in  
22 this state if the person has had, during the preceding  
23 twelve (12) months, not more than five (5) clients that are  
24 resident in this state in addition to those specified under  
25 paragraph (i) of this subsection; or

26  
27 (iii) Any other person exempted by rule adopted  
28 or order issued under this act.

29  
30 (c) It is unlawful for an investment adviser,  
31 directly or indirectly, to employ or associate with an  
32 individual to engage in an activity related to investment  
33 advice in this state if the registration of the individual  
34 is suspended or revoked or the individual is barred from  
35 employment or association with an investment adviser,  
36 federal covered investment adviser, or broker-dealer by an  
37 order under this act, the securities and exchange  
38 commission, or a self-regulatory organization, unless the  
39 investment adviser did not know, and in the exercise of  
40 reasonable care could not have known, of the suspension,  
41 revocation, or bar. Upon request from the investment  
42 adviser and for good cause, the secretary of state, by  
43 order, may waive, in whole or in part, the application of  
44 the prohibitions of this subsection to the investment  
45 adviser.

1  
2 (d) It is unlawful for an investment adviser to  
3 employ or associate with an individual required to be  
4 registered under this act as an investment adviser  
5 representative who transacts business in this state on  
6 behalf of the investment adviser unless the individual is  
7 registered under W.S. 17-4-404(a) or is exempt from  
8 registration under W.S. 17-4-404(b).

9  
10 **17-4-404. Investment adviser representative**  
11 **registration requirement and exemptions.**

12  
13 (a) It is unlawful for an individual to transact  
14 business in this state as an investment adviser  
15 representative unless the individual is registered under  
16 this act as an investment adviser representative or is  
17 exempt from registration as an investment adviser  
18 representative under subsection (b) of this section.

19  
20 (b) The following individuals are exempt from the  
21 registration requirement of subsection (a) of this section:

22  
23 (i) An individual who is employed by or  
24 associated with an investment adviser that is exempt from  
25 registration under W.S. 17-4-403(b) or a federal covered  
26 investment adviser that is excluded from the notice filing  
27 requirements of W.S. 17-4-405; and

28  
29 (ii) Any other individual exempted by rule  
30 adopted or order issued under this act.

31  
32 (c) The registration of an investment adviser  
33 representative is not effective while the investment  
34 adviser representative is not employed by or associated  
35 with an investment adviser registered under this act or a  
36 federal covered investment adviser that has made or is  
37 required to make a notice filing under W.S. 17-4-405.

38  
39 (d) An individual may transact business as an  
40 investment adviser representative for more than one (1)  
41 investment adviser or federal covered investment adviser  
42 unless a rule adopted or order issued under this act  
43 prohibits or limits an individual from acting as an  
44 investment adviser representative for more than one (1)  
45 investment adviser or federal covered investment adviser.



1  
2 (e) It is unlawful for an individual acting as an  
3 investment adviser representative, directly or indirectly,  
4 to conduct business in this state on behalf of an  
5 investment adviser or a federal covered investment adviser  
6 if the registration of the individual as an investment  
7 adviser representative is suspended or revoked or the  
8 individual is barred from employment or association with an  
9 investment adviser or a federal covered investment adviser  
10 by an order under this act, the securities and exchange  
11 commission, or a self-regulatory organization. Upon request  
12 from a federal covered investment adviser and for good  
13 cause, the secretary of state, by order issued, may waive,  
14 in whole or in part, the application of the requirements of  
15 this subsection to the federal covered investment adviser.  
16

17 (f) An investment adviser registered under this act,  
18 a federal covered investment adviser that has filed a  
19 notice under W.S. 17-4-405, or a broker-dealer registered  
20 under this act is not required to employ or associate with  
21 an individual as an investment adviser representative if  
22 the only compensation paid to the individual for a referral  
23 of investment advisory clients is paid to an investment  
24 adviser registered under this act, a federal covered  
25 investment adviser who has filed a notice under W.S.  
26 17-4-405, or a broker-dealer registered under this act with  
27 which the individual is employed or associated as an  
28 investment adviser representative.  
29

30 **17-4-405. Federal covered investment adviser notice**  
31 **filing requirement.**  
32

33 (a) Except with respect to a federal covered  
34 investment adviser described in subsection (b) of this  
35 section, it is unlawful for a federal covered investment  
36 adviser to transact business in this state as a federal  
37 covered investment adviser unless the federal covered  
38 investment adviser complies with subsection (c) of this  
39 section.  
40

41 (b) The following federal covered investment advisers  
42 are not required to comply with subsection (c) of this  
43 section:  
44

1 (i) A federal covered investment adviser without  
2 a place of business in this state if its only clients in  
3 this state are:

4  
5 (A) Federal covered investment advisers,  
6 investment advisers registered under this act, and  
7 broker-dealers registered under this act;

8  
9 (B) Institutional investors;

10  
11 (C) Bona fide preexisting clients whose  
12 principal places of residence are not in this state; or

13  
14 (D) Other clients specified by rule adopted  
15 or order issued under this act.

16  
17 (ii) A federal covered investment adviser  
18 without a place of business in this state if the person has  
19 had, during the preceding twelve (12) months, not more than  
20 five (5) clients that are resident in this state in  
21 addition to those specified under paragraph (i) of this  
22 subsection; and

23  
24 (iii) Any other person excluded by rule adopted  
25 or order issued under this act.

26  
27 (c) A person acting as a federal covered investment  
28 adviser, not excluded under subsection (b) of this section,  
29 shall file a notice, a consent to service of process  
30 complying with W.S. 17-4-611, and such records as have been  
31 filed with the securities and exchange commission under the  
32 Investment Advisers Act of 1940 required by rule adopted or  
33 order issued under this act and pay the fees specified in  
34 W.S. 17-4-410(e).

35  
36 (d) The notice under subsection (c) of this section  
37 becomes effective upon its filing.

38  
39 **17-4-406. Registration by broker-dealer, agent,**  
40 **investment adviser, and investment adviser representative.**

41  
42 (a) A person shall register as a broker-dealer,  
43 agent, investment adviser, or investment adviser  
44 representative by filing an application and a consent to  
45 service of process complying with W.S. 17-4-611, and paying

1 the fee specified in W.S. 17-4-410 and any reasonable fees  
2 charged by the designee of the secretary of state for  
3 processing the filing. The application must contain:

4  
5 (i) The information or record required for the  
6 filing of a uniform application; and

7  
8 (ii) Upon request by the secretary of state, any  
9 other financial or other information or record that the  
10 secretary of state determines is appropriate.

11  
12 (b) If the information or record contained in an  
13 application filed under subsection (a) of this section is  
14 or becomes inaccurate or incomplete in a material respect,  
15 the registrant shall promptly file a correcting amendment.

16  
17 (c) If an order is not in effect and a proceeding is  
18 not pending under W.S. 17-4-412, registration becomes  
19 effective at noon on the forty-fifth day after a completed  
20 application is filed, unless the registration is denied. A  
21 rule adopted or order issued under this act may set an  
22 earlier effective date or may defer the effective date  
23 until noon on the forty-fifth day after the filing of any  
24 amendment completing the application.

25  
26 (d) A registration is effective until midnight on  
27 December 31 of the year for which the application for  
28 registration is filed. Unless an order is in effect under  
29 W.S. 17-4-412, a registration may be automatically renewed  
30 each year by filing such records as are required by rule  
31 adopted or order issued under this act, by paying the fee  
32 specified in W.S. 17-4-410, and by paying costs charged by  
33 the designee of the secretary of state for processing the  
34 filings.

35  
36 (e) A rule adopted or order issued under this act may  
37 impose such other conditions, not inconsistent with the  
38 National Securities Markets Improvement Act of 1996. An  
39 order issued under this act may waive, in whole or in part,  
40 specific requirements in connection with registration as  
41 are in the public interest and for the protection of  
42 investors.

43  
44 **17-4-407. Succession and change in registration of**  
45 **broker-dealer or investment adviser.**

1  
2 (a) A broker-dealer or investment adviser may succeed  
3 to the current registration of another broker-dealer or  
4 investment adviser or a notice filing of a federal covered  
5 investment adviser, and a federal covered investment  
6 adviser may succeed to the current registration of an  
7 investment adviser or notice filing of another federal  
8 covered investment adviser, by filing as a successor an  
9 application for registration pursuant to W.S. 17-4-401 or  
10 17-4-403 or a notice pursuant to W.S. 17-4-405 for the  
11 unexpired portion of the current registration or notice  
12 filing.

13  
14 (b) A broker-dealer or investment adviser that  
15 changes its form of organization or state of incorporation  
16 or organization may continue its registration by filing an  
17 amendment to its registration if the change does not  
18 involve a material change in its financial condition or  
19 management. The amendment becomes effective when filed or  
20 on a date designated by the registrant in its filing. The  
21 new organization is a successor to the original registrant  
22 for the purposes of this act. If there is a material change  
23 in financial condition or management, the broker-dealer or  
24 investment adviser shall file a new application for  
25 registration. A predecessor registered under this act shall  
26 stop conducting its securities business other than winding  
27 down transactions and shall file for withdrawal of  
28 broker-dealer or investment adviser registration within  
29 forty-five (45) days after filing its amendment to effect  
30 succession.

31  
32 (c) A broker-dealer or investment adviser that  
33 changes its name may continue its registration by filing an  
34 amendment to its registration. The amendment becomes  
35 effective when filed or on a date designated by the  
36 registrant.

37  
38 (d) A change of control of a broker-dealer or  
39 investment adviser may be made in accordance with a rule  
40 adopted or order issued under this act.

41  
42 **17-4-408. Termination of employment or association of**  
43 **agent and investment adviser representative and transfer of**  
44 **employment or association.**

45

1 (a) If an agent registered under this act terminates  
2 employment by or association with a broker-dealer or  
3 issuer, or if an investment adviser representative  
4 registered under this act terminates employment by or  
5 association with an investment adviser or federal covered  
6 investment adviser, or if either registrant terminates  
7 activities that require registration as an agent or  
8 investment adviser representative, the broker-dealer,  
9 issuer, investment adviser, or federal covered investment  
10 adviser shall promptly file a notice of termination. If the  
11 registrant learns that the broker-dealer, issuer,  
12 investment adviser, or federal covered investment adviser  
13 has not filed the notice, the registrant may do so.

14  
15 (b) If an agent registered under this act terminates  
16 employment by or association with a broker-dealer  
17 registered under this act and begins employment by or  
18 association with another broker-dealer registered under  
19 this act; or if an investment adviser representative  
20 registered under this act terminates employment by or  
21 association with an investment adviser registered under  
22 this act or a federal covered investment adviser that has  
23 filed a notice under W.S. 17-4-405 and begins employment by  
24 or association with another investment adviser registered  
25 under this act or a federal covered investment adviser that  
26 has filed a notice under W.S. 17-4-405; then upon the  
27 filing by or on behalf of the registrant, within thirty  
28 (30) days after the termination, of an application for  
29 registration that complies with the requirement of W.S.  
30 17-4-406(a) and payment of the filing fee required under  
31 W.S. 17-4-410, the registration of the agent or investment  
32 adviser representative is:

33  
34 (i) Immediately effective as of the date of the  
35 completed filing, if the agent's central registration  
36 depository record or successor record or the investment  
37 adviser representative's investment adviser registration  
38 depository record or successor record does not contain a  
39 new or amended disciplinary disclosure within the previous  
40 twelve (12) months; or

41  
42 (ii) Temporarily effective as of the date of the  
43 completed filing, if the agent's central registration  
44 depository record or successor record or the investment  
45 adviser representative's investment adviser registration

1 depository record or successor record contains a new or  
2 amended disciplinary disclosure within the preceding twelve  
3 (12) months.  
4

5 (c) The secretary of state may withdraw a temporary  
6 registration if there are or were grounds for discipline as  
7 specified in W.S. 17-4-412 and the secretary of state does  
8 so within thirty (30) days after the filing of the  
9 application. If the secretary of state does not withdraw  
10 the temporary registration within the thirty (30) day  
11 period, registration becomes automatically effective on the  
12 thirty-first day after filing.  
13

14 (d) The secretary of state may prevent the  
15 effectiveness of a transfer of an agent or investment  
16 adviser representative under paragraph (b)(i) or (ii) of  
17 this section based on the public interest and the  
18 protection of investors.  
19

20 (e) If the secretary of state determines that a  
21 registrant or applicant for registration is no longer in  
22 existence or has ceased to act as a broker-dealer, agent,  
23 investment adviser, or investment adviser representative,  
24 or is the subject of an adjudication of incapacity or is  
25 subject to the control of a committee, conservator, or  
26 guardian, or cannot reasonably be located, a rule adopted  
27 or order issued under this act may require the registration  
28 be cancelled or terminated or the application denied. The  
29 secretary of state may reinstate a cancelled or terminated  
30 registration, with or without hearing, and may make the  
31 registration retroactive.  
32

33 **17-4-409. Withdrawal of registration of**  
34 **broker-dealer, agent, investment adviser, and investment**  
35 **adviser representative.**  
36

37 Withdrawal of registration by a broker-dealer, agent,  
38 investment adviser, or investment adviser representative  
39 becomes effective sixty (60) days after the filing of the  
40 application to withdraw or within any shorter period as  
41 provided by rule adopted or order issued under this act  
42 unless a revocation or suspension proceeding is pending  
43 when the application is filed. If a proceeding is pending,  
44 withdrawal becomes effective when and upon such conditions  
45 as required by rule adopted or order issued under this act.

1 The secretary of state may institute a revocation or  
2 suspension proceeding under W.S. 17-4-412 within one (1)  
3 year after the withdrawal became effective automatically  
4 and issue a revocation or suspension order as of the last  
5 date on which registration was effective if a proceeding is  
6 not pending.

7  
8 **17-4-410. Filing fees.**  
9

10 (a) A person shall pay a fee of two hundred dollars  
11 (\$200.00) when initially filing an application for  
12 registration as a broker-dealer and a fee of two hundred  
13 dollars (\$200.00) when filing a renewal of registration as  
14 a broker-dealer. If the filing results in a denial or  
15 withdrawal, the secretary of state shall retain the entire  
16 fee.

17  
18 (b) The fee for an individual is forty-five dollars  
19 (\$45.00) when filing an application for registration as an  
20 agent, a fee of forty-five dollars (\$45.00) when filing a  
21 renewal of registration as an agent, and a fee of  
22 forty-five dollars (\$45.00) when filing for a change of  
23 registration as an agent. If the filing results in a denial  
24 or withdrawal, the secretary of state shall retain the  
25 entire fee.

26  
27 (c) A person shall pay a fee of two hundred fifty  
28 dollars (\$250.00) when filing an application for  
29 registration as an investment adviser and a fee of two  
30 hundred fifty dollars (\$250.00) when filing a renewal of  
31 registration as an investment adviser. If the filing  
32 results in a denial or withdrawal, the secretary of state  
33 shall retain the entire fee.

34  
35 (d) The fee for an individual is forty-five dollars  
36 (\$45.00) when filing an application for registration as an  
37 investment adviser representative, a fee of forty-five  
38 dollars (\$45.00) when filing a renewal of registration as  
39 an investment adviser representative, and a fee of  
40 forty-five dollars (\$45.00) when filing a change of  
41 registration as an investment adviser representative. If  
42 the filing results in a denial or withdrawal, the secretary  
43 of state shall retain the entire fee.  
44

1 (e) A federal covered investment adviser required to  
2 file a notice under W.S. 17-4-405 shall pay an initial fee  
3 of two hundred fifty dollars (\$250.00) and an annual notice  
4 fee of two hundred fifty dollars (\$250.00).

5  
6 (f) A person required to pay a filing or notice fee  
7 under this section may transmit the fee through or to a  
8 designee as a rule or order provides under this act.

9  
10 (g) An investment adviser representative who is  
11 registered as an agent under W.S. 17-4-402 and who  
12 represents a person that is both registered as a  
13 broker-dealer under W.S. 17-4-401 and registered as an  
14 investment adviser under W.S. 17-4-403 or required as a  
15 federal covered investment adviser to make a notice filing  
16 under W.S. 17-4-405 is not required to pay an initial or  
17 annual registration fee for registration as an investment  
18 adviser representative.

19  
20 **17-4-411. Post registration requirements.**

21  
22 (a) Subject to section 15(h) of the Securities  
23 Exchange Act of 1934 (15 U.S.C. § 78o(h)) or section 222 of  
24 the Investment Advisers Act of 1940 (15 U.S.C. § 80b-22), a  
25 rule adopted or order issued under this act may establish  
26 minimum financial requirements for broker-dealers  
27 registered or required to be registered under this act and  
28 investment advisers registered or required to be registered  
29 under this act.

30  
31 (b) Subject to section 15(h) of the Securities  
32 Exchange Act of 1934 (15 U.S.C. § 78o(h)) or section 222(b)  
33 of the Investment Advisers Act of 1940 (15 U.S.C. §  
34 80b-22), a broker-dealer registered or required to be  
35 registered under this act and an investment adviser  
36 registered or required to be registered under this act  
37 shall file such financial reports as are required by a rule  
38 adopted or order issued under this act. If the information  
39 contained in a record filed under this subsection is or  
40 becomes inaccurate or incomplete in a material respect, the  
41 registrant shall promptly file a correcting amendment.

42  
43 (c) Subject to section 15(h) of the Securities  
44 Exchange Act of 1934 (15 U.S.C. § 78o(h)) or section 222 of  
45 the Investment Advisers Act of 1940 (15 U.S.C. § 80b-22):



1  
2 (i) A broker-dealer registered or required to be  
3 registered under this act and an investment adviser  
4 registered or required to be registered under this act  
5 shall make and maintain the accounts, correspondence,  
6 memoranda, papers, books, and other records required by  
7 rule adopted or order issued under this act;

8  
9 (ii) Broker-dealer records required to be  
10 maintained under paragraph (i) of this subsection may be  
11 maintained in any form of data storage acceptable under  
12 section 17(a) of the Securities Exchange Act of 1934 (15  
13 U.S.C. § 78q(a)) if they are readily accessible to the  
14 secretary of state; and

15  
16 (iii) Investment adviser records required to be  
17 maintained under paragraph (i) of this subsection may be  
18 maintained in any form of data storage required by rule  
19 adopted or order issued under this act.

20  
21 (d) The records of a broker-dealer registered or  
22 required to be registered under this act and of an  
23 investment adviser registered or required to be registered  
24 under this act are subject to such reasonable periodic,  
25 special, or other audits or inspections by a representative  
26 of the secretary of state, within or without this state, as  
27 the secretary of state considers necessary or appropriate  
28 in the public interest and for the protection of investors.  
29 An audit or inspection may be made at any time and without  
30 prior notice. The secretary of state may copy, and remove  
31 for audit or inspection copies of, all records the  
32 secretary of state reasonably considers necessary or  
33 appropriate to conduct the audit or inspection. The  
34 secretary of state may assess a reasonable charge for  
35 conducting an audit or inspection under this subsection.

36  
37 (e) Subject to section 15(h) of the Securities  
38 Exchange Act of 1934 (15 U.S.C. § 78o(h)) or section 222 of  
39 the Investment Advisers Act of 1940 (15 U.S.C. § 80b-22), a  
40 rule adopted or order issued under this act may require a  
41 broker-dealer or investment adviser that has custody of or  
42 discretionary authority over funds or securities of a  
43 customer or client to obtain insurance or post a bond or  
44 other satisfactory form of security in an amount as set by  
45 rule. The secretary of state may determine the requirements

1 of the insurance, bond, or other satisfactory form of  
2 security. Insurance or a bond or other satisfactory form of  
3 security may not be required of a broker-dealer registered  
4 under this act whose net capital exceeds, or of an  
5 investment adviser registered under this act whose minimum  
6 financial requirements exceed, the amounts required by rule  
7 or order under this act. The insurance, bond, or other  
8 satisfactory form of security must permit an action by a  
9 person to enforce any liability on the insurance, bond, or  
10 other satisfactory form of security if instituted within  
11 the time limitations in W.S. 17-4-509(k) (ii).

12

13 (f) Subject to section 15(h) of the Securities  
14 Exchange Act of 1934 (15 U.S.C. § 78o(h)) or section 222 of  
15 the Investment Advisers Act of 1940 (15 U.S.C. § 80b-22),  
16 an agent may not have custody of funds or securities of a  
17 customer except under the supervision of a broker-dealer  
18 and an investment adviser representative may not have  
19 custody of funds or securities of a client except under the  
20 supervision of an investment adviser or a federal covered  
21 investment adviser. A rule adopted or order issued under  
22 this act may prohibit, limit, or impose conditions on a  
23 broker-dealer regarding custody of funds or securities of a  
24 customer and on an investment adviser regarding custody of  
25 securities or funds of a client.

26

27 (g) With respect to an investment adviser registered  
28 or required to be registered under this act, a rule adopted  
29 or order issued under this act may require that information  
30 or other record be furnished or disseminated to clients or  
31 prospective clients in this state as necessary or  
32 appropriate in the public interest and for the protection  
33 of investors and advisory clients.

34

35 (h) A rule adopted or order issued under this act may  
36 require an individual registered under W.S. 17-4-402 or  
37 17-4-404 to participate in a continuing education program  
38 approved by the securities and exchange commission and  
39 administered by a self-regulatory organization or, in the  
40 absence of such a program, a rule adopted or order issued  
41 under this act may require continuing education for an  
42 individual registered under W.S. 17-4-404.

43

44 **17-4-412. Denial, revocation, suspension, withdrawal,**  
45 **restriction, condition, or limitation of registration.**

1  
2 (a) If the secretary of state finds that the order is  
3 in the public interest and subsection (d) of this section  
4 authorizes the action, an order issued under this act may  
5 deny an application, or may condition or limit registration  
6 of an applicant to be a broker-dealer, agent, investment  
7 adviser, or investment adviser representative, and, if the  
8 applicant is a broker-dealer or investment adviser, of a  
9 partner, officer, director, or person having a similar  
10 status or performing similar functions, or a person  
11 directly or indirectly in control, of the broker-dealer or  
12 investment adviser.

13  
14 (b) If the secretary of state finds that the order is  
15 in the public interest and subsection (d) of this section  
16 authorizes the action, an order issued under this act may  
17 revoke, suspend, condition, or limit the registration of a  
18 registrant and, if the registrant is a broker-dealer or  
19 investment adviser, of a partner, officer, director, or  
20 person having a similar status or performing similar  
21 functions, or a person directly or indirectly in control,  
22 of the broker-dealer or investment adviser. However, the  
23 secretary of state may not:

24  
25 (i) Institute a revocation or suspension  
26 proceeding under this subsection based on an order issued  
27 under a law of another state that is reported to the  
28 secretary of state or a designee of the secretary of state  
29 more than one (1) year after the date of the order on which  
30 it is based; or

31  
32 (ii) Under subparagraph (d)(v)(A) or (B) of this  
33 section, issue an order on the basis of an order issued  
34 under the securities act of another state unless the other  
35 order was based on conduct for which subsection (d) would  
36 authorize the action had the conduct occurred in this  
37 state.

38  
39 (c) If the secretary of state finds that the order is  
40 in the public interest and paragraph (d)(i) through (vi),  
41 (viii), (ix), (x), or (xii) and (xiii) of this section  
42 authorizes the action, an order under this act may censure,  
43 impose a bar or impose a civil penalty in an amount not to  
44 exceed a maximum of five thousand dollars (\$5,000.00) for a  
45 single violation or fifty thousand dollars (\$50,000.00) for

1 more than one (1) violation, on a registrant, and, if the  
2 registrant is a broker-dealer or investment adviser, a  
3 partner, officer, director, or person having a similar  
4 status or performing similar functions, or a person  
5 directly or indirectly in control, of the broker-dealer or  
6 investment adviser.

7  
8 (d) A person may be disciplined under subsections (a)  
9 through (c) of this section if the person:

10  
11 (i) Has filed an application for registration in  
12 this state under this act or the predecessor act within the  
13 previous ten (10) years, which, as of the effective date of  
14 registration or as of any date after filing in the case of  
15 an order denying effectiveness, was incomplete in any  
16 material respect or contained a statement that, in light of  
17 the circumstances under which it was made, was false or  
18 misleading with respect to a material fact;

19  
20 (ii) Willfully violated or willfully failed to  
21 comply with this act or the predecessor act or a rule  
22 adopted or order issued under this act or the predecessor  
23 act within the previous ten (10) years;

24  
25 (iii) Has been convicted of a felony or within  
26 the previous ten (10) years has been convicted of a  
27 misdemeanor involving a security, a commodity future or  
28 option contract, or an aspect of a business involving  
29 securities, commodities, investments, franchises,  
30 insurance, banking, or finance;

31  
32 (iv) Is enjoined or restrained by a court of  
33 competent jurisdiction in an action instituted by the  
34 secretary of state under this act or the predecessor act, a  
35 state, the securities and exchange commission, or the  
36 United States from engaging in or continuing an act,  
37 practice, or course of business involving an aspect of a  
38 business involving securities, commodities, investments,  
39 franchises, insurance, banking, or finance;

40  
41 (v) Is the subject of an order, issued after  
42 notice and opportunity for hearing by:

43  
44 (A) The securities, depository institution,  
45 insurance, or other financial services regulator of a state

1 or by the securities and exchange commission or other  
2 federal agency denying, revoking, barring, or suspending  
3 registration as a broker-dealer, agent, investment adviser,  
4 federal covered investment adviser, or investment adviser  
5 representative;

6  
7 (B) The securities regulator of a state or  
8 the securities and exchange commission against a  
9 broker-dealer, agent, investment adviser, investment  
10 adviser representative, or federal covered investment  
11 adviser;

12  
13 (C) The securities and exchange commission  
14 or a self-regulatory organization suspending or expelling  
15 the registrant from membership in the self-regulatory  
16 organization;

17  
18 (D) A court adjudicating a United States  
19 postal service fraud order;

20  
21 (E) The insurance regulator of a state  
22 denying, suspending, or revoking registration as an  
23 insurance agent; or

24  
25 (F) A depository institution regulator  
26 suspending or barring the person from the depository  
27 institution business.

28  
29 (vi) Is the subject of an adjudication or  
30 determination, after notice and opportunity for hearing, by  
31 the securities and exchange commission, the commodity  
32 futures trading commission; the federal trade commission; a  
33 federal depository institution regulator, or a depository  
34 institution, insurance, or other financial services  
35 regulator of a state that the person willfully violated the  
36 Securities Act of 1933, the Securities Exchange Act of  
37 1934, the Investment Advisers Act of 1940, the Investment  
38 Company Act of 1940, or the Commodity Exchange Act, the  
39 securities or commodities law of a state, or a federal or  
40 state law under which a business involving investments,  
41 franchises, insurance, banking, or finance is regulated;

42  
43 (vii) Is insolvent, either because the person's  
44 liabilities exceed the person's assets or because the  
45 person cannot meet the person's obligations as they mature,

1 but the secretary of state may not enter an order against  
2 an applicant or registrant under this paragraph without a  
3 finding of insolvency as to the applicant or registrant;

4  
5 (viii) Refuses to allow or otherwise impedes the  
6 secretary of state from conducting an audit or inspection  
7 under W.S. 17-4-411(d) or refuses access to a registrant's  
8 office to conduct an audit or inspection under W.S.  
9 17-4-411(d);

10  
11 (ix) Has failed to reasonably supervise an  
12 agent, investment adviser representative, or other  
13 individual, if the agent, investment adviser  
14 representative, or other individual was subject to the  
15 person's supervision and committed a violation of this act  
16 or the predecessor act or a rule adopted or order issued  
17 under this act or the predecessor act within the previous  
18 ten (10) years;

19  
20 (x) Has not paid the proper filing fee within  
21 thirty (30) days after having been notified by the  
22 secretary of state of a deficiency, but the secretary of  
23 state shall vacate an order under this paragraph when the  
24 deficiency is corrected;

25  
26 (xi) After notice and opportunity for a hearing,  
27 has been found within the previous ten (10) years:

28  
29 (A) By a court of competent jurisdiction to  
30 have willfully violated the laws of a foreign jurisdiction  
31 under which the business of securities, commodities,  
32 investment, franchises, insurance, banking, or finance is  
33 regulated;

34  
35 (B) To have been the subject of an order of  
36 a securities regulator of a foreign jurisdiction denying,  
37 revoking, or suspending the right to engage in the business  
38 of securities as a broker-dealer, agent, investment  
39 adviser, investment adviser representative, or similar  
40 person; or

41  
42 (C) To have been suspended or expelled from  
43 membership by or participation in a securities exchange or  
44 securities association operating under the securities laws  
45 of a foreign jurisdiction.

1  
2 (xii) Is the subject of a cease and desist order  
3 issued by the securities and exchange commission or issued  
4 under the securities, commodities, investment, franchise,  
5 banking, finance, or insurance laws of a state;

6  
7 (xiii) Has engaged in dishonest or unethical  
8 practices in the securities, commodities, investment,  
9 franchise, banking, finance, or insurance business within  
10 the previous ten (10) years; or

11  
12 (xiv) Is not qualified on the basis of factors  
13 such as training, experience, and knowledge of the  
14 securities business. However, in the case of an application  
15 by an agent for a broker-dealer that is a member of a  
16 self-regulatory organization or by an individual for  
17 registration as an investment adviser representative, a  
18 denial order may not be based on this paragraph if the  
19 individual has successfully completed all examinations  
20 required by subsection (e) of this section. The secretary  
21 of state may require an applicant for registration under  
22 W.S. 17-4-402 or 17-4-404 who has not been registered in a  
23 state within the two (2) years preceding the filing of an  
24 application in this state to successfully complete an  
25 examination.

26  
27 (e) A rule adopted or order issued under this act may  
28 require that an examination, including an examination  
29 developed or approved by an organization of securities  
30 regulators, be successfully completed by a class of  
31 individuals or all individuals. An order issued under this  
32 act may waive, in whole or in part, an examination as to an  
33 individual and a rule adopted under this act may waive, in  
34 whole or in part, an examination as to a class of  
35 individuals if the secretary of state determines that the  
36 examination is not necessary or appropriate in the public  
37 interest and for the protection of investors.

38  
39 (f) The secretary of state may suspend or deny an  
40 application summarily; restrict, condition, limit, or  
41 suspend a registration; or censure, bar, or impose a civil  
42 penalty on a registrant before final determination of an  
43 administrative proceeding. Upon the issuance of an order,  
44 the secretary of state shall promptly notify each person  
45 subject to the order that the order has been issued, the

1 reasons for the action, and that within fifteen (15) days  
2 after the receipt of a request in a record from the person  
3 the matter will be scheduled for a hearing. If a hearing is  
4 not requested and none is ordered by the secretary of state  
5 within thirty (30) days after the date of service of the  
6 order, the order becomes final by operation of law. If a  
7 hearing is requested or ordered, the secretary of state,  
8 after notice of and opportunity for hearing to each person  
9 subject to the order, may modify or vacate the order or  
10 extend the order until final determination.

11  
12 (g) An order issued may not be issued under this  
13 section, except under subsection (f) of this section,  
14 without:

15  
16 (i) Appropriate notice to the applicant or  
17 registrant;

18  
19 (ii) Opportunity for hearing; and

20  
21 (iii) Findings of fact and conclusions of law in  
22 a record in accordance with the Wyoming Administrative  
23 Procedure Act.

24  
25 (h) A person that controls, directly or indirectly, a  
26 person not in compliance with this section may be  
27 disciplined by order of the secretary of state under  
28 subsections (a) through (c) of this section to the same  
29 extent as the noncomplying person, unless the controlling  
30 person did not know, and in the exercise of reasonable care  
31 could not have known, of the existence of conduct that is a  
32 ground for discipline under this section.

33  
34 (j) The secretary of state may not institute a  
35 proceeding under subsection (a), (b), or (c) of this  
36 section based solely on material facts actually known by  
37 the secretary of state unless an investigation or the  
38 proceeding is instituted within one (1) year after the  
39 secretary of state actually acquires knowledge of the  
40 material facts.

41  
42 ARTICLE 5  
43 FRAUD AND LIABILITIES

44  
45 **17-4-501. General fraud.**



1  
2 (a) It is unlawful for a person, in connection with  
3 the offer, sale, or purchase of a security, directly or  
4 indirectly:

5  
6 (i) To employ a device, scheme, or artifice to  
7 defraud;

8  
9 (ii) To make an untrue statement of a material  
10 fact or to omit to state a material fact necessary in order  
11 to make the statements made, in light of the circumstances  
12 under which they were made, not misleading; or

13  
14 (iii) To engage in an act, practice, or course  
15 of business that operates or would operate as a fraud or  
16 deceit upon another person.

17  
18 **17-4-502. Prohibited conduct in providing investment**  
19 **advice.**

20  
21 (a) It is unlawful for a person that advises others  
22 for compensation, either directly or indirectly or through  
23 publications or writings, as to the value of securities or  
24 the advisability of investing in, purchasing, or selling  
25 securities or that, for compensation and as part of a  
26 regular business, issues or promulgates analyses or reports  
27 relating to securities:

28  
29 (i) To employ a device, scheme, or artifice to  
30 defraud another person; or

31  
32 (ii) To engage in an act, practice, or course of  
33 business that operates or would operate as a fraud or  
34 deceit upon another person.

35  
36 (b) A rule adopted under this act may define an act,  
37 practice, or course of business of an investment adviser or  
38 an investment adviser representative, other than a  
39 supervised person of a federal covered investment adviser,  
40 as fraudulent, deceptive, or manipulative, and prescribe  
41 means reasonably designed to prevent investment advisers  
42 and investment adviser representatives, other than  
43 supervised persons of a federal covered investment adviser,  
44 from engaging in acts, practices, and courses of business  
45 defined as fraudulent, deceptive, or manipulative.

1  
2 (c) A rule adopted under this act may specify the  
3 contents of an investment advisory contract entered into,  
4 extended, or renewed by an investment adviser.  
5

6 **17-4-503. Evidentiary burden.**  
7

8 (a) In a civil action or administrative proceeding  
9 under this act, a person claiming an exemption, exception,  
10 preemption, or exclusion has the burden to prove the  
11 applicability of the claim.  
12

13 (b) In a criminal proceeding under this act, a person  
14 claiming an exemption, exception, preemption, or exclusion  
15 has the burden of going forward with evidence of the claim.  
16

17 **17-4-504. Filing of sales and advertising literature.**  
18

19 (a) Except as otherwise provided in subsection (b) of  
20 this section, a rule adopted or order issued under this act  
21 may require the filing of a prospectus, pamphlet, circular,  
22 form letter, advertisement, sales literature, or other  
23 advertising record relating to a security or investment  
24 advice, addressed or intended for distribution to  
25 prospective investors, including clients or prospective  
26 clients of a person registered or required to be registered  
27 as an investment adviser under this act.  
28

29 (b) This section does not apply to sales and  
30 advertising literature specified in subsection (a) of this  
31 section which relates to a federal covered security, a  
32 federal covered investment adviser, or a security or  
33 transaction exempted by W.S. 17-4-201 through 17-4-204  
34 except as required pursuant to W.S. 17-4-201(a)(vii).  
35

36 **17-4-505. Misleading filings.**  
37

38 It is unlawful for a person to make or cause to be made, in  
39 a record that is used in an action or proceeding or filed  
40 under this act, a statement that, at the time and in the  
41 light of the circumstances under which it is made, is false  
42 or misleading in a material respect, or, in connection with  
43 the statement, to omit to state a material fact necessary  
44 to make the statement made, in the light of the  
45 circumstances under which it was made, not false or

1 misleading.

2  
3 **17-4-506. Misrepresentations concerning registration**  
4 **or exemption.**

5  
6 (a) The filing of an application for registration, a  
7 registration statement, a notice filing under this act, the  
8 registration of a person, the notice filing by a person, or  
9 the registration of a security under this act does not  
10 constitute a finding by the secretary of state that a  
11 record filed under this act is true, complete, and not  
12 misleading. The filing or registration or the availability  
13 of an exemption, exception, preemption, or exclusion for a  
14 security or a transaction does not mean that the secretary  
15 of state has passed upon the merits or qualifications of,  
16 or recommended or given approval to, a person, security, or  
17 transaction.

18  
19 (b) It is unlawful to make, or cause to be made, to a  
20 purchaser, customer, client, or prospective customer or  
21 client a representation inconsistent with this section.

22  
23 **17-4-507. Qualified immunity.**

24  
25 A broker-dealer, agent, investment adviser, federal covered  
26 investment adviser, or investment adviser representative is  
27 not liable to another broker-dealer, agent, investment  
28 adviser, federal covered investment adviser, or investment  
29 adviser representative for defamation relating to a  
30 statement that is contained in a record required by the  
31 secretary of state, or designee of the secretary of state,  
32 the securities and exchange commission, or a  
33 self-regulatory organization, unless the person knew, or  
34 should have known at the time that the statement was made,  
35 that it was false in a material respect or the person acted  
36 in reckless disregard of the statement's truth or falsity.

37  
38 **17-4-508. Criminal penalties.**

39  
40 (a) A person that willfully violates this act, or a  
41 rule adopted or order issued under this act, except W.S.  
42 17-4-504 or the notice filing requirements of W.S. 17-4-302  
43 or 17-4-405, or that willfully violates W.S. 17-4-505  
44 knowing the statement made to be false or misleading in a  
45 material respect, upon conviction, shall be fined not more

1 than five thousand dollars (\$5,000.00) or imprisoned not  
2 more than three (3) years, or both. An individual convicted  
3 of violating a rule or order under this act may be fined,  
4 but may not be imprisoned, if the individual did not have  
5 knowledge of the rule or order.

6  
7 (b) The attorney general or district attorney with or  
8 without a reference from the secretary of state, may  
9 institute criminal proceedings under this act.

10  
11 (c) This act does not limit the power of this state  
12 to punish a person for conduct that constitutes a crime  
13 under other laws of this state.

14  
15 **17-4-509. Civil Liability.**

16  
17 (a) Enforcement of civil liability under this section  
18 is subject to the Securities Litigation Uniform Standards  
19 Act of 1998.

20  
21 (b) A person is liable to the purchaser if the person  
22 sells a security in violation of W.S. 17-4-301 or, by means  
23 of an untrue statement of a material fact or an omission to  
24 state a material fact necessary in order to make the  
25 statement made, in light of the circumstances under which  
26 it is made, not misleading, the purchaser not knowing the  
27 untruth or omission and the seller not sustaining the  
28 burden of proof that the seller did not know and, in the  
29 exercise of reasonable care, could not have known of the  
30 untruth or omission. An action under this subsection is  
31 governed by the following:

32  
33 (i) The purchaser may maintain an action to  
34 recover the consideration paid for the security, less the  
35 amount of any income received on the security, and interest  
36 at six percent (6%) per year from the date of the purchase,  
37 costs, and reasonable attorneys' fees determined by the  
38 court, upon the tender of the security, or for actual  
39 damages as provided in paragraph (iii) of this subsection;

40  
41 (ii) The tender referred to in paragraph (i) of  
42 this subsection may be made any time before entry of  
43 judgment. Tender requires only notice in a record of  
44 ownership of the security and willingness to exchange the  
45 security for the amount specified. A purchaser that no

1 longer owns the security may recover actual damages as  
2 provided in paragraph (iii) of this subsection;

3  
4 (iii) Actual damages in an action arising under  
5 this subsection are the amount that would be recoverable  
6 upon a tender less the value of the security when the  
7 purchaser disposed of it, and interest at six percent (6%)  
8 per year from the date of the purchase, costs and  
9 reasonable attorneys' fees determined by the court.

10  
11 (c) A person is liable to the seller if the person  
12 buys a security by means of an untrue statement of a  
13 material fact or omission to state a material fact  
14 necessary in order to make the statement made, in light of  
15 the circumstances under which it is made, not misleading,  
16 the seller not knowing of the untruth or omission, and the  
17 purchaser not sustaining the burden of proof that the  
18 purchaser did not know, and in the exercise of reasonable  
19 care, could not have known of the untruth or omission. An  
20 action under this subsection is governed by the following:

21  
22 (i) The seller may maintain an action to recover  
23 the security, and any income received on the security,  
24 costs, and reasonable attorneys' fees determined by the  
25 court, upon the tender of the purchase price, or for actual  
26 damages as provided in paragraph (iii) of this subsection;

27  
28 (ii) The tender referred to in paragraph (i) of  
29 this subsection may be made any time before entry of  
30 judgment. Tender requires only notice in a record of the  
31 present ability to pay the amount tendered and willingness  
32 to take delivery of the security for the amount specified.  
33 If the purchaser no longer owns the security, the seller  
34 may recover actual damages as provided in paragraph (iii)  
35 of this subsection;

36  
37 (iii) Actual damages in an action arising under  
38 this subsection are the difference between the price at  
39 which the security was sold and the value the security  
40 would have had at the time of the sale in the absence of  
41 the purchaser's conduct causing liability, and interest at  
42 six percent (6%) per year from the date of the sale of the  
43 security, costs, and reasonable attorneys' fees determined  
44 by the court.

45

1 (d) A person acting as a broker-dealer or agent that  
2 sells or buys a security in violation of W.S. 17-4-401(a),  
3 17-4-402(a), or 17-4-506 is liable to the customer. The  
4 customer, if a purchaser, may maintain an action for  
5 recovery of actual damages as specified in paragraphs  
6 (b)(i) through (iii) of this section, or, if a seller, for  
7 a remedy as specified in paragraphs (c)(i) through (iii) of  
8 this section.

9  
10 (e) A person acting as an investment adviser or  
11 investment adviser representative that provides investment  
12 advice for compensation in violation of W.S. 17-4-403(a),  
13 17-4-404(a), or 17-4-506 is liable to the client. The  
14 client may maintain an action to recover the consideration  
15 paid for the advice, interest at the rate of six percent  
16 (6%) per year from the date of payment, costs, and  
17 reasonable attorneys' fees determined by the court.

18  
19 (f) A person that receives directly or indirectly any  
20 consideration for providing investment advice to another  
21 person and that employs a device, scheme, or artifice to  
22 defraud the other person or engages in an act, practice, or  
23 course of business that operates or would operate as a  
24 fraud or deceit on the other person, is liable to the other  
25 person. An action under this subsection is governed by the  
26 following:

27  
28 (i) The person defrauded may maintain an action  
29 to recover the consideration paid for the advice and the  
30 amount of any actual damages caused by the fraudulent  
31 conduct, interest at six percent (6%) per year from the  
32 date of the fraudulent conduct, costs, and reasonable  
33 attorneys' fees determined by the court, less the amount of  
34 any income received as a result of the fraudulent conduct;

35  
36 (ii) This subsection does not apply to a  
37 broker-dealer or its agents if the investment advice  
38 provided is solely incidental to transacting business as a  
39 broker-dealer and no special compensation is received for  
40 the investment advice.

41  
42 (g) The following persons are liable jointly and  
43 severally with and to the same extent as persons liable  
44 under subsections (b) through (f) of this section:  
45

1 (i) A person that directly or indirectly  
2 controls a person liable under subsections (b) through (f)  
3 of this section, unless the controlling person sustains the  
4 burden of proof that the person did not know, and in the  
5 exercise of reasonable care could not have known, of the  
6 existence of conduct by reason of which the liability is  
7 alleged to exist;

8  
9 (ii) An individual who is a managing partner,  
10 executive officer, or director of a person liable under  
11 subsections (b) through (f) of this section, including an  
12 individual having a similar status or performing similar  
13 functions, unless the individual sustains the burden of  
14 proof that the individual did not know and, in the exercise  
15 of reasonable care could not have known, of the existence  
16 of conduct by reason of which the liability is alleged to  
17 exist;

18  
19 (iii) An individual who is an employee of or  
20 associated with a person liable under subsections (b)  
21 through (f) of this section and who materially aids the  
22 conduct giving rise to the liability, unless the individual  
23 sustains the burden of proof that the individual did not  
24 know and, in the exercise of reasonable care could not have  
25 known, of the existence of conduct by reason of which the  
26 liability is alleged to exist; and

27  
28 (iv) A person that is a broker-dealer, agent,  
29 investment adviser, or investment adviser representative  
30 that materially aids the conduct giving rise to the  
31 liability under subsections (b) through (f) of this  
32 section, unless the person sustains the burden of proof  
33 that the person did not know and, in the exercise of  
34 reasonable care could not have known, of the existence of  
35 conduct by reason of which liability is alleged to exist.

36  
37 (h) A person liable under this section has a right of  
38 contribution as in cases of contract against any other  
39 person liable under this section for the same conduct.

40  
41 (j) A cause of action under this section survives the  
42 death of an individual who might have been a plaintiff or  
43 defendant.

44  
45 (k) A person may not obtain relief:

1  
2 (i) Under subsection (b) of this section for  
3 violation of W.S. 17-4-301, or under subsection (d) or (e)  
4 of this section, unless the action is instituted within one  
5 (1) year after the violation occurred; or

6  
7 (ii) Under subsection (b) of this section, other  
8 than for violation of W.S. 17-4-301, or under subsection  
9 (c) or (f) of this section, unless the action is instituted  
10 within the earlier of two (2) years after discovery of the  
11 facts constituting the violation or five (5) years after  
12 the violation.

13  
14 (m) A person that has made, or has engaged in the  
15 performance of, a contract in violation of this act or a  
16 rule adopted or order issued under this act, or that has  
17 acquired a purported right under the contract with  
18 knowledge of conduct by reason of which its making or  
19 performance was in violation of this act, may not base an  
20 action on the contract.

21  
22 (n) A condition, stipulation, or provision binding a  
23 person purchasing or selling a security or receiving  
24 investment advice to waive compliance with this act or a  
25 rule adopted or order issued under this act is void.

26  
27 (o) The rights and remedies provided by this act are  
28 in addition to any other rights or remedies that may exist,  
29 but this act does not create a cause of action not  
30 specified in this section or W.S. 17-4-411(e).

31  
32 **17-4-510. Rescission offers.**

33  
34 (a) A purchaser, seller, or recipient of investment  
35 advice may not maintain an action under W.S. 17-4-509 if:

36  
37 (i) The purchaser, seller, or recipient of  
38 investment advice receives in a record, before the action  
39 is instituted:

40  
41 (A) An offer stating the respect in which  
42 liability under W.S. 17-4-509 may have arisen and fairly  
43 advising the purchaser, seller, or recipient of investment  
44 advice of that person's rights in connection with the  
45 offer, and any financial or other information necessary to



1 correct all material misrepresentations or omissions in the  
2 information that was required by this act to be furnished  
3 to that person at the time of the purchase, sale, or  
4 investment advice;

5  
6 (B) If the basis for relief under this  
7 section may have been a violation of W.S. 17-4-509(b), an  
8 offer to repurchase the security for cash, payable on  
9 delivery of the security, equal to the consideration paid,  
10 and interest at six percent (6%) per year from the date of  
11 the purchase, less the amount of any income received on the  
12 security, or, if the purchaser no longer owns the security,  
13 an offer to pay the purchaser upon acceptance of the offer  
14 damages in an amount that would be recoverable upon a  
15 tender, less the value of the security when the purchaser  
16 disposed of it, and interest at six percent (6%) per year  
17 from the date of the purchase in cash equal to the damages  
18 computed in the manner provided in this subsection;

19  
20 (C) If the basis for relief under this  
21 section may have been a violation of W.S. 17-4-509(c), an  
22 offer to tender the security, on payment by the seller of  
23 an amount equal to the purchase price paid, less income  
24 received on the security by the purchaser and interest at  
25 six percent (6%) per year from the date of the sale; or if  
26 the purchaser no longer owns the security, an offer to pay  
27 the seller upon acceptance of the offer, in cash, damages  
28 in the amount of the difference between the price at which  
29 the security was purchased and the value the security would  
30 have had at the time of the purchase in the absence of the  
31 purchaser's conduct that may have caused liability and  
32 interest at six percent (6%) per year from the date of the  
33 sale;

34  
35 (D) If the basis for relief under this  
36 section may have been a violation of W.S. 17-4-509(d); and  
37 if the customer is a purchaser, an offer to pay as  
38 specified in subparagraph (B) of this paragraph; or, if the  
39 customer is a seller, an offer to tender or to pay as  
40 specified in subparagraph (C) of this paragraph;

41  
42 (E) If the basis for relief under this  
43 section may have been a violation of W.S. 17-4-509(e), an  
44 offer to reimburse in cash the consideration paid for the

1 advice and interest at six percent (6%) per year from the  
2 date of payment; or  
3

4 (F) If the basis for relief under this  
5 section may have been a violation of W.S. 17-4-509(f), an  
6 offer to reimburse in cash the consideration paid for the  
7 advice, the amount of any actual damages that may have been  
8 caused by the conduct, and interest at six percent (6%) per  
9 year from the date of the violation causing the loss.

10  
11 (ii) The offer under paragraph (i) of this  
12 subsection states that it must be accepted by the  
13 purchaser, seller, or recipient of investment advice within  
14 thirty (30) days after the date of its receipt by the  
15 purchaser, seller, or recipient of investment advice or any  
16 shorter period, of not less than three (3) days, that the  
17 secretary of state, by order, specifies;  
18

19 (iii) The offeror has the present ability to pay  
20 the amount offered or to tender the security under  
21 paragraph (i) of this subsection;  
22

23 (iv) The offer under paragraph (i) of this  
24 subsection is delivered to the purchaser, seller, or  
25 recipient of investment advice, or sent in a manner that  
26 ensures receipt by the purchaser, seller, or recipient of  
27 investment advice; and  
28

29 (v) The purchaser, seller, or recipient of  
30 investment advice that accepts the offer under paragraph  
31 (i) of this subsection in a record within the period  
32 specified under paragraph (ii) of this subsection is paid  
33 in accordance with the terms of the offer.  
34

## 35 ARTICLE 6

### 36 ADMINISTRATION AND JUDICIAL REVIEW

#### 37 38 **17-4-601. Administration.**

39  
40 (a) The secretary of state shall administer this act.  
41

42 (b) It is unlawful for the secretary of state or an  
43 officer, employee, or designee of the secretary of state to  
44 use for personal benefit or the benefit of others records  
45 or other information obtained by or filed with the

1 secretary of state that are not public under W.S.  
2 17-4-607(b). This act does not authorize the secretary of  
3 state or an officer, employee, or designee of the secretary  
4 of state to disclose the record or information, except in  
5 accordance with W.S. 17-4-602, 17-4-607(c), or 17-4-608.  
6

7 (c) This act does not create or diminish a privilege  
8 or exemption that exists at common law, by statute or rule,  
9 or otherwise.  
10

11 (d) The secretary of state may develop and implement  
12 investor education initiatives to inform the public about  
13 investing in securities, with particular emphasis on the  
14 prevention and detection of securities fraud. In developing  
15 and implementing these initiatives, the secretary of state  
16 may collaborate with public and nonprofit organizations  
17 with an interest in investor education. The secretary of  
18 state may accept a grant or donation from a person that is  
19 not affiliated with the securities industry or from a  
20 nonprofit organization, regardless of whether the  
21 organization is affiliated with the securities industry, to  
22 develop and implement investor education initiatives. This  
23 subsection does not authorize the secretary of state to  
24 require participation or monetary contributions of a  
25 registrant in an investor education program.  
26

27 **17-4-602. Investigations and subpoenas.**  
28

29 (a) The secretary of state may:  
30

31 (i) Conduct public or private investigations  
32 within or outside of this state which the secretary of  
33 state considers necessary or appropriate to determine  
34 whether a person has violated, is violating, or is about to  
35 violate this act or a rule adopted or order issued under  
36 this act, or to aid in the enforcement of this act or in  
37 the adoption of rules and forms under this act;  
38

39 (ii) Require or permit a person to testify, file  
40 a statement, or produce a record, under oath or otherwise  
41 as the secretary of state determines, as to all the facts  
42 and circumstances concerning a matter to be investigated or  
43 about which an action or proceeding is to be instituted;  
44 and  
45

1 (iii) Publish a record concerning an action,  
2 proceeding, or an investigation under, or a violation of,  
3 this act or a rule adopted or order issued under this act  
4 if the secretary of state determines it is necessary or  
5 appropriate in the public interest and for the protection  
6 of investors.

7  
8 (b) For the purpose of an investigation under this  
9 act, the secretary of state or his designated officer may  
10 administer oaths and affirmations, subpoena witnesses, seek  
11 compulsion of attendance, take evidence, require the filing  
12 of statements, and require the production of any records  
13 that the secretary of state considers relevant or material  
14 to the investigation.

15  
16 (c) If a person does not appear or refuses to  
17 testify, file a statement, produce records, or otherwise  
18 does not obey a subpoena as required by the secretary of  
19 state under this act, the secretary of state may refer the  
20 matter to the attorney general or district attorney, who  
21 may apply to the Wyoming district court or a court of  
22 another state to enforce compliance. The court may:

23  
24 (i) Hold the person in contempt;

25  
26 (ii) Order the person to appear before the  
27 secretary of state;

28  
29 (iii) Order the person to testify about the  
30 matter under investigation or in question;

31  
32 (iv) Order the production of records;

33  
34 (v) Grant injunctive relief, including  
35 restricting or prohibiting the offer or sale of securities  
36 or the providing of investment advice;

37  
38 (vi) Impose a civil penalty of not less than  
39 five thousand dollars (\$5,000.00) and not greater than  
40 fifty thousand (\$50,000.00) for each violation; and

41  
42 (vii) Grant any other necessary or appropriate  
43 relief.

44

1 (d) This section does not preclude a person from  
2 applying to Wyoming district court or a court of another  
3 state for relief from a request to appear, testify, file a  
4 statement, produce records, or obey a subpoena.  
5

6 (e) An individual is not excused from attending,  
7 testifying, filing a statement, producing a record or other  
8 evidence, or obeying a subpoena of the secretary of state  
9 under this act or in an action or proceeding instituted by  
10 the secretary of state under this act on the ground that  
11 the required testimony, statement, record, or other  
12 evidence, directly or indirectly, may tend to incriminate  
13 the individual or subject the individual to a criminal  
14 fine, penalty, or forfeiture. If the individual refuses to  
15 testify, file a statement, or produce a record or other  
16 evidence on the basis of the individual's privilege against  
17 self-incrimination, the secretary of state may apply to the  
18 Wyoming district court to compel the testimony, the filing  
19 of the statement, the production of the record, or the  
20 giving of other evidence. The testimony, record, or other  
21 evidence compelled under such an order may not be used,  
22 directly or indirectly, against the individual in a  
23 criminal case, except in a prosecution for perjury or  
24 contempt or otherwise failing to comply with the order.  
25

26 (f) At the request of the securities regulator of  
27 another state or a foreign jurisdiction, the secretary of  
28 state may provide assistance if the requesting regulator  
29 states that it is conducting an investigation to determine  
30 whether a person has violated, is violating, or is about to  
31 violate a law or rule of the other state or foreign  
32 jurisdiction relating to securities matters that the  
33 requesting regulator administers or enforces. The secretary  
34 of state may provide the assistance by using the authority  
35 to investigate and the powers conferred by this section as  
36 the secretary of state determines is necessary or  
37 appropriate. The assistance may be provided without regard  
38 to whether the conduct described in the request would also  
39 constitute a violation of this act or other law of this  
40 state if occurring in this state. In deciding whether to  
41 provide the assistance, the secretary of state may consider  
42 whether the requesting regulator is permitted and has  
43 agreed to provide assistance reciprocally within its state  
44 or foreign jurisdiction to the secretary of state on  
45 securities matters when requested; whether compliance with

1 the request would violate or prejudice the public policy of  
2 this state; and the availability of resources and employees  
3 of the secretary of state to carry out the request for  
4 assistance.

5  
6 **17-4-603. Civil enforcement.**

7  
8 (a) If the secretary of state believes that a person  
9 has engaged, is engaging, or is about to engage in an act,  
10 practice, or course of business constituting a violation of  
11 this act or a rule adopted or order issued under this act  
12 or that a person has, is, or is about to engage in an act,  
13 practice, or course of business that materially aids a  
14 violation of this act or a rule adopted or order issued  
15 under this act, the secretary of state may maintain an  
16 action in the Wyoming district court to enjoin the act,  
17 practice, or course of business and to enforce compliance  
18 with this act or a rule adopted or order issued under this  
19 act.

20  
21 (b) In an action under this section and on a proper  
22 showing, the court may:

23  
24 (i) Issue a permanent or temporary injunction,  
25 restraining order, or declaratory judgment;

26  
27 (ii) Order other appropriate or ancillary  
28 relief, which may include:

29  
30 (A) An asset freeze, accounting, writ of  
31 attachment, writ of general or specific execution, and  
32 appointment of a receiver or conservator, that may be the  
33 secretary of state, for the defendant or the defendant's  
34 assets;

35  
36 (B) Ordering the secretary of state to take  
37 charge and control of a defendant's property, including  
38 investment accounts and accounts in a depository  
39 institution, rents, and profits; to collect debts; and to  
40 acquire and dispose of property;

41  
42 (C) Imposing a civil penalty up to five  
43 thousand dollars (\$5,000.00) for a single violation or up  
44 to fifty thousand dollars (\$50,000.00) for more than one  
45 (1) violation; an order of rescission, restitution, or

1 disgorgement directed to a person that has engaged in an  
2 act, practice, or course of business constituting a  
3 violation of this act or the predecessor act or a rule  
4 adopted or order issued under this act or the predecessor  
5 act; and

6  
7 (D) Ordering the payment of prejudgment and  
8 post judgment interest.

9  
10 (iii) Order such other relief as the court  
11 considers appropriate.

12  
13 (c) The secretary of state may not be required to  
14 post a bond in an action or proceeding under this act.

15  
16 **17-4-604. Administrative enforcement.**

17  
18 (a) If the secretary of state determines that a  
19 person has engaged, is engaging or is about to engage in an  
20 act, practice, or course of business constituting a  
21 violation of this act or a rule adopted or order issued  
22 under this act or that a person has materially aided, is  
23 materially aiding, or is about to materially aid an act,  
24 practice, or course of business constituting a violation of  
25 this act or a rule adopted or order issued under this act,  
26 the secretary of state may:

27  
28 (i) Issue an order directing the person to cease  
29 and desist from engaging in the act, practice, or course of  
30 business or to take other action necessary or appropriate  
31 to comply with this act;

32  
33 (ii) Issue an order denying, suspending,  
34 revoking, or conditioning the exemptions for a  
35 broker-dealer under W.S. 17-4-401(b)(i)(D) or (F) or an  
36 investment adviser under W.S. 17-4-403(b)(i)(C); or

37  
38 (iii) Issue an order under W.S. 17-4-205.

39  
40 (b) An order under subsection (a) of this section is  
41 effective on the date of issuance. Upon issuance of the  
42 order, the secretary of state shall promptly serve each  
43 person subject to the order with a copy of the order and a  
44 notice that the order has been entered. The order must  
45 include a statement whether the secretary of state will

1 seek a civil penalty or costs of the investigation, a  
2 statement of the reasons for the order, and notice that,  
3 within fifteen (15) days after receipt of a request in a  
4 record from the person, the matter will be scheduled for a  
5 hearing. If a person subject to the order does not request  
6 a hearing and none is ordered by the secretary of state  
7 within thirty (30) days after the date of service of the  
8 order, the order, which may include a civil penalty or  
9 costs of the investigation if a civil penalty or costs were  
10 sought in the statement accompanying the order, becomes  
11 final as to that person by operation of law. If a hearing  
12 is requested or ordered, the secretary of state, after  
13 notice of and opportunity for hearing to each person  
14 subject to the order, may modify or vacate the order or  
15 extend it until final determination.

16

17 (c) If a hearing is requested or ordered pursuant to  
18 subsection (b) of this section, a hearing must be held  
19 pursuant to the Wyoming Administrative Procedure Act. A  
20 final order may not be issued unless the secretary of state  
21 makes findings of fact and conclusions of law in a record  
22 in accordance with the Wyoming Administrative Procedure  
23 Act. The final order may make final, vacate, or modify the  
24 order issued under subsection (a) of this section.

25

26 (d) In a final order under subsection (c) of this  
27 section, the secretary of state may impose a civil penalty  
28 up to five thousand dollars (\$5,000.00) for a single  
29 violation or up to fifty thousand dollars (\$50,000.00) for  
30 more than one (1) violation.

31

32 (e) In a final order, the secretary of state may  
33 charge the actual cost of an investigation or proceeding  
34 for a violation of this act or a rule adopted or order  
35 issued under this act.

36

37 (f) If a petition for judicial review of a final  
38 order is not filed in accordance with W.S. 17-4-609, the  
39 secretary of state may file a certified copy of the final  
40 order with the clerk of a court of competent jurisdiction.  
41 The order so filed has the same effect as a judgment of the  
42 court and may be recorded, enforced, or satisfied in the  
43 same manner as a judgment of the court.

44



1 (g) If a person does not comply with an order under  
2 this section, the secretary of state may petition a court  
3 of competent jurisdiction to enforce the order. The court  
4 may not require the secretary of state to post a bond in an  
5 action or proceeding under this section. If the court  
6 finds, after service and opportunity for hearing, that the  
7 person was not in compliance with the order, the court may  
8 adjudge the person in civil contempt of the order. The  
9 court may impose a further civil penalty against the person  
10 for contempt in an amount not less than five thousand  
11 dollars (\$5,000.00) but not greater than fifty thousand  
12 dollars (\$50,000.00) for each violation and may grant any  
13 other relief the court determines is just and proper in the  
14 circumstances.

15  
16 **17-4-605. Rules, forms, orders, interpretative**  
17 **opinions, and hearings.**

18  
19 (a) The secretary of state may:

20  
21 (i) Issue forms and orders and, after notice and  
22 comment, may adopt and amend rules necessary or appropriate  
23 to carry out this act and may repeal rules, including rules  
24 and forms governing registration statements, applications,  
25 notice filings, reports, and other records;

26  
27 (ii) By rule, define terms, whether or not used  
28 in this act, but those definitions may not be inconsistent  
29 with this act; and

30  
31 (iii) By rule, classify securities, persons, and  
32 transactions and adopt different requirements for different  
33 classes.

34  
35 (b) Under this act, a rule or form may not be adopted  
36 or amended, or an order issued or amended, unless the  
37 secretary of state finds that the rule, form, order, or  
38 amendment is necessary or appropriate in the public  
39 interest or for the protection of investors and is  
40 consistent with the purposes intended by this act. In  
41 adopting, amending, and repealing rules and forms, W.S.  
42 17-4-608 applies in order to achieve uniformity among the  
43 states and coordination with federal laws in the form and  
44 content of registration statements, applications, reports,

1 and other records, including the adoption of uniform rules,  
2 forms, and procedures.

3  
4 (c) Subject to section 15(h) of the Securities  
5 Exchange Act and section 222 of the Investment Advisers Act  
6 of 1940, the secretary of state may require that a  
7 financial statement filed under this act be prepared in  
8 accordance with generally accepted accounting principles in  
9 the United States and comply with other requirements  
10 specified by rule adopted or order issued under this act. A  
11 rule adopted or order issued under this act may establish:

12  
13 (i) Subject to section 15(h) of the Securities  
14 Exchange Act and section 222 of the Investment Advisers Act  
15 of 1940, the form and content of financial statements  
16 required under this act;

17  
18 (ii) Whether unconsolidated financial statements  
19 must be filed; and

20  
21 (iii) Whether required financial statements must  
22 be audited by an independent certified public accountant.

23  
24 (d) The secretary of state may provide interpretative  
25 opinions or issue determinations that the secretary of  
26 state will not institute a proceeding or an action under  
27 this act against a specified person for engaging in a  
28 specified act, practice, or course of business if the  
29 determination is consistent with this act. A rule adopted  
30 or order issued under this act may establish a reasonable  
31 charge for interpretative opinions or determinations that  
32 the secretary of state will not institute an action or a  
33 proceeding under this act.

34  
35 (e) A penalty under this act may not be imposed for,  
36 and liability does not arise from conduct that is engaged  
37 in or omitted in good faith believing it conforms to a  
38 rule, form, or order of the secretary of state under this  
39 act.

40  
41 (f) A hearing in an administrative proceeding under  
42 this act must be conducted in public unless the secretary  
43 of state for good cause consistent with this act determines  
44 that the hearing will not be so conducted.

45

1           **17-4-606. Administrative files and opinions.**

2  
3           (a) The secretary of state shall maintain, or  
4 designate a person to maintain, a register of applications  
5 for registration of securities; registration statements;  
6 notice filings; applications for registration of  
7 broker-dealers, agents, investment advisers, and investment  
8 adviser representatives; notice filings by federal covered  
9 investment advisers that are or have been effective under  
10 this act or the predecessor act; notices of claims of  
11 exemption from registration or notice filing requirements  
12 contained in a record; orders issued under this act or the  
13 predecessor act; and interpretative opinions or no action  
14 determinations issued under this act.

15  
16           (b) The secretary of state shall make all rules,  
17 forms, interpretative opinions, and orders available to the  
18 public.

19  
20           (c) The secretary of state shall control the  
21 availability and dissemination of records, including the  
22 records identified as public records in W.S. 17-4-607,  
23 pursuant to the requirements set forth in the Wyoming  
24 Public Records Act, W.S. 16-4-201 through 16-4-205.

25  
26           **17-4-607. Public records; confidentiality.**

27  
28           (a) Except as otherwise provided in subsection (b) of  
29 this section, records obtained by the secretary of state or  
30 filed under this act, including a record contained in or  
31 filed with a registration statement, application, notice  
32 filing, or report, are public records and are available for  
33 public examination.

34  
35           (b) The following records are not public records and  
36 are not available for public examination under subsection  
37 (a) of this section:

38  
39           (i) A record obtained by the secretary of state  
40 in connection with an audit or inspection under W.S.  
41 17-4-411(d) or an investigation under W.S. 17-4-602;

42  
43           (ii) A part of a record filed in connection with  
44 a registration statement under W.S. 17-4-301 and 17-4-303  
45 through 17-4-305 or a record under W.S. 17-4-411(d) that

1 contains trade secrets or confidential information if the  
2 person filing the registration statement or report has  
3 asserted a claim of confidentiality or privilege that is  
4 authorized by law;

5  
6 (iii) A record that is not required to be  
7 provided to the secretary of state or filed under this act  
8 and is provided to the secretary of state only on the  
9 condition that the record will not be subject to public  
10 examination or disclosure;

11  
12 (iv) A nonpublic record received from a person  
13 specified in W.S. 17-4-608(a); and

14  
15 (v) Any social security number, residential  
16 address unless used as a business address, and residential  
17 telephone number unless used as a business telephone  
18 number, contained in a record that is filed; and

19  
20 (vi) A record obtained by the secretary of state  
21 through a designee of the secretary of state that a rule or  
22 order under this act determines has been:

23  
24 (A) Expunged from the secretary of state's  
25 records by the designee; or

26  
27 (B) Determined to be nonpublic or  
28 nondisclosable by that designee if the secretary of state  
29 finds the determination to be in the public interest and  
30 for the protection of investors.

31  
32 (c) If disclosure is for the purpose of a civil,  
33 administrative, or criminal investigation, action, or  
34 proceeding or to a person specified in W.S. 17-4-608(a),  
35 the secretary of state may disclose a record obtained in  
36 connection with an audit or inspection under W.S.  
37 17-4-411(d) or a record obtained in connection with an  
38 investigation under W.S. 17-4-602.

39  
40 **17-4-608. Uniformity and cooperation with other**  
41 **agencies.**

42  
43 (a) The secretary of state shall, in his discretion,  
44 cooperate, coordinate, consult, and, subject to W.S.  
45 17-4-607, share records and information with the securities

1 regulator of another state, Canada, a Canadian province or  
2 territory, a foreign jurisdiction, the securities and  
3 exchange commission, the United States department of  
4 justice, the commodity futures trading commission, the  
5 federal trade commission, the securities investor  
6 protection corporation, a self-regulatory organization, a  
7 national or international organization of securities  
8 regulators, a federal or state banking and insurance  
9 regulator, and a governmental law enforcement agency to  
10 effectuate greater uniformity in securities matters among  
11 the federal government, self-regulatory organizations,  
12 states, and foreign governments.

13

14 (b) In cooperating, coordinating, consulting, and  
15 sharing records and information under this section and in  
16 acting by rule, order, or waiver under this act, the  
17 secretary of state shall, in its discretion, take into  
18 consideration in carrying out the public interest the  
19 following general policies:

20

21 (i) Maximizing effectiveness of regulation for  
22 the protection of investors;

23

24 (ii) Maximizing uniformity in federal and state  
25 regulatory standards; and

26

27 (iii) Minimizing burdens on the business of  
28 capital formation, without adversely affecting essentials  
29 of investor protection.

30

31 (c) The cooperation, coordination, consultation, and  
32 sharing of records and information authorized by this  
33 section includes:

34

35 (i) Establishing or employing one (1) or more  
36 designees as a central depository for registration and  
37 notice filings under this act and for records required or  
38 allowed to be maintained under this act;

39

40 (ii) Developing and maintaining uniform forms;

41

42 (iii) Conducting a joint examination or  
43 investigation;

44

45 (iv) Holding a joint administrative hearing;

1  
2 (v) Instituting and prosecuting a joint civil or  
3 administrative proceeding;

4  
5 (vi) Sharing and exchanging personnel;

6  
7 (vii) Coordinating registrations under W.S.  
8 17-4-301 and 17-4-401 through 17-4-404 and exemptions under  
9 W.S. 17-4-204;

10  
11 (viii) Sharing and exchanging records, subject  
12 to W.S. 17-4-607;

13  
14 (ix) Formulating rules, statements of policy,  
15 guidelines, forms, and interpretative opinions and  
16 releases;

17  
18 (x) Formulating common systems and procedures;

19  
20 (xi) Notifying the public of proposed rules,  
21 forms, statements of policy, and guidelines;

22  
23 (xii) Attending conferences and other meetings  
24 among securities regulators, which may include  
25 representatives of governmental and private sector  
26 organizations involved in capital formation, deemed  
27 necessary or appropriate to promote or achieve uniformity;  
28 and

29  
30 (xiii) Developing and maintaining a uniform  
31 exemption from registration for small issuers, and taking  
32 other steps to reduce the burden of raising investment  
33 capital by small businesses.

34  
35 **17-4-609. Judicial review.**

36  
37 A final order issued by the secretary of state under this  
38 act is subject to judicial review in accordance with  
39 Wyoming Administrative Procedure Act.

40  
41 **17-4-610. Jurisdiction.**

42  
43 (a) W.S. 17-4-301, 17-4-302, 17-4-401(a),  
44 17-4-402(a), 17-4-403(a), 17-4-404(a), 17-4-501, 17-4-506,  
45 17-4-509, and 17-4-510 do not apply to a person that sells

1 or offers to sell a security unless the offer to sell or  
2 the sale is made in this state or the offer to purchase or  
3 the purchase is made and accepted in this state.

4  
5 (b) W.S. 17-4-401(a), 17-4-402(a), 17-4-403(a),  
6 17-4-404(a), 17-4-501, 17-4-506, 17-4-509, and 17-4-510 do  
7 not apply to a person that purchases or offers to purchase  
8 a security unless the offer to purchase or the purchase is  
9 made in this state or the offer to sell or the sale is made  
10 and accepted in this state.

11  
12 (c) For the purpose of this section, an offer to sell  
13 or to purchase a security is made in this state, whether or  
14 not either party is then present in this state, if the  
15 offer:

16  
17 (i) Originates from within this state; or

18  
19 (ii) Is directed by the offeror to a place in  
20 this state and received at the place to which it is  
21 directed.

22  
23 (d) For the purpose of this section, an offer to  
24 purchase or to sell is accepted in this state, whether or  
25 not either party is then present in this state, if the  
26 acceptance:

27  
28 (i) Is communicated to the offeror in this state  
29 and the offeree reasonably believes the offeror to be  
30 present in this state and the acceptance is received at the  
31 place in this state to which it is directed; and

32  
33 (ii) Has not previously been communicated to the  
34 offeror, orally or in a record, outside this state.

35  
36 (e) An offer to sell or to purchase is not made in  
37 this state when a publisher circulates or there is  
38 circulated on the publisher's behalf in this state a bona  
39 fide newspaper or other publication of general, regular,  
40 and paid circulation that is not published in this state,  
41 or that is published in this state but has had more than  
42 two-thirds (2/3) of its circulation outside this state  
43 during the previous twelve (12) months or when a radio or  
44 television program or other electronic communication  
45 originating outside this state is received in this state. A

1 radio or television program, or other electronic  
2 communication is considered as having originated in this  
3 state if either the broadcast studio or the originating  
4 source of transmission is located in this state, unless:

5  
6 (i) The program or communication is syndicated  
7 and distributed from outside this state for redistribution  
8 to the general public in this state;

9  
10 (ii) The program or communication is supplied by  
11 a radio, television, or other electronic network with the  
12 electronic signal originating from outside this state for  
13 redistribution to the general public in this state;

14  
15 (iii) The program or communication is an  
16 electronic communication that originates outside this state  
17 and is captured for redistribution to the general public in  
18 this state by a community antenna or cable, radio, cable  
19 television, or other electronic system; or

20  
21 (iv) The program or communication consists of an  
22 electronic communication that originates in this state, but  
23 which is not intended for distribution to the general  
24 public in this state.

25  
26 (f) W.S. 17-4-403(a), 17-4-404(a), 17-4-405(a),  
27 17-4-502, 17-4-505, and 17-4-506 apply to a person if the  
28 person engages in an act, practice, or course of business  
29 instrumental in effecting prohibited or actionable conduct  
30 in this state, whether or not either party is then present  
31 in this state.

32  
33 **17-4-611. Service of process.**

34  
35 (a) A consent to service of process complying with  
36 W.S. 17-4-611 required by this act must be signed and filed  
37 in the form required by a rule or order under this act. A  
38 consent appointing the secretary of state the person's  
39 agent for service of process in a noncriminal action or  
40 proceeding against the person, or the person's successor or  
41 personal representative under this act or a rule adopted or  
42 order issued under this act after the consent is filed, has  
43 the same force and validity as if the service were made  
44 personally on the person filing the consent. A person that  
45 has filed a consent complying with this subsection in



1 connection with a previous application for registration or  
2 notice filing need not file an additional consent.

3  
4 (b) If a person, including a nonresident of this  
5 state, engages in an act, practice, or course of business  
6 prohibited or made actionable by this act or a rule adopted  
7 or order issued under this act and the person has not filed  
8 a consent to service of process under subsection (a) of  
9 this section, the act, practice, or course of business  
10 constitutes the appointment of the secretary of state as  
11 the person's agent for service of process in a noncriminal  
12 action or proceeding against the person or the person's  
13 successor or personal representative.

14  
15 (c) Service under subsection (a) or (b) of this  
16 section may be made by providing a copy of the process to  
17 the office of the secretary of state, but it is not  
18 effective unless:

19  
20 (i) The plaintiff, which may be the secretary of  
21 state, promptly sends notice of the service and a copy of  
22 the process, return receipt requested, to the defendant or  
23 respondent at the address set forth in the consent to  
24 service of process or, if a consent to service of process  
25 has not been filed, at the last known address, or takes  
26 other reasonable steps to give notice; and

27  
28 (ii) The plaintiff files an affidavit of  
29 compliance with this subsection in the action or proceeding  
30 on or before the return day of the process, if any, or  
31 within the time that the court, or the secretary of state  
32 in a proceeding before the secretary of state, allows.

33  
34 (d) Service pursuant to subsection (c) of this  
35 section may be used in a proceeding before the secretary of  
36 state or by the secretary of state in a civil action in  
37 which the secretary of state is the moving party.

38  
39 (e) If process is served under subsection (c) of this  
40 section, the court, or the secretary of state in a  
41 proceeding before the secretary of state, shall order  
42 continuances as are necessary or appropriate to afford the  
43 defendant or respondent reasonable opportunity to defend.

44  
45 **17-4-612. Severability clause.**

1  
2 If any provision of this act or its application to any  
3 person or circumstances is held invalid, the invalidity  
4 does not affect other provisions or applications of this  
5 act that can be given effect without the invalid provision  
6 or application, and to this end the provisions of this act  
7 are severable.

8  
9 **17-4-613. Securities enforcement and compliance**  
10 **account; purposes.**

11  
12 (a) There is created the securities enforcement and  
13 compliance account. Funds within the account shall only be  
14 expended by legislative appropriation. All funds within the  
15 account shall be invested by the state treasurer and all  
16 investment earnings from the account shall be credited to  
17 the general fund.

18  
19 (b) The secretary of state shall credit sixty percent  
20 (60%) of all fees collected by the secretary of state under  
21 this act to the general fund and the balance to the  
22 securities enforcement and compliance account. Annually, on  
23 July 1, monies within the account in excess of three  
24 hundred fifty thousand dollars (\$350,000.00) in the  
25 securities enforcement and compliance account shall be  
26 credited to the general fund.

27  
28 (c) The secretary of state may expend money within  
29 the account created in subsection (a) of this section as  
30 appropriated by the legislature to investigate, prosecute  
31 and otherwise ensure compliance with this act and to  
32 promote investor awareness which may include investment and  
33 antifraud publications and seminars.

34  
35 (d) The secretary of state shall develop separately  
36 identifiable biennial expenditure requests using a base  
37 budget, standard budget and exception budget as provided in  
38 W.S. 9-2-1002 through 9-2-1014 for the purposes specified  
39 in this section and from the account created in subsection  
40 (a) of this section.

41  
42 **ARTICLE 7**  
43 **TRANSITION**  
44

1           **17-4-701. Application of act to existing proceeding**  
2 **and existing rights and duties.**

3  
4           (a) The predecessor act exclusively governs all  
5 actions or proceedings that are pending on the effective  
6 date of this act or may be instituted on the basis of  
7 conduct occurring before the effective date of this act,  
8 but a civil action may not be maintained to enforce any  
9 liability under the predecessor act unless instituted  
10 within any period of limitation that applied when the cause  
11 of action accrued or within five (5) years after the  
12 effective date of this act, whichever is earlier.

13  
14           (b) All effective registrations under the predecessor  
15 act, all administrative orders relating to the  
16 registrations, rules, statements of policy, interpretative  
17 opinions, declaratory rulings, no action determinations,  
18 and conditions imposed on the registrations under the  
19 predecessor act remain in effect while they would have  
20 remained in effect if this act had not been enacted. They  
21 are considered to have been filed, issued, or imposed under  
22 this act, but are exclusively governed by the predecessor  
23 act.

24  
25           (c) The predecessor act exclusively applies to an  
26 offer or sale made within one (1) year after the effective  
27 date of this act pursuant to an offering made in good faith  
28 before the effective date of this act on the basis of an  
29 exemption available under the predecessor act.

30  
31           **Section 2.** W.S. 9-1-308(e), 13-5-101(j)(vii) and  
32 17-11-118 are amended to read:

33  
34           **9-1-308. Powers and duties; refusal to file**  
35 **documents; cease and desist orders.**

36  
37           (e) Any refusal to accept documents under subsection  
38 (a) of this section and any order issued under subsection  
39 (b) of this section is subject to the notice and appeal  
40 provisions of W.S. ~~17-4-123~~ 17-4-609.

41  
42           **13-5-101. Authority to organize; powers; limitations;**  
43 **prohibitions; exemptions.**

44

1 (j) For the purposes of this act, a person does not  
2 engage in the trust business by:

3  
4 (vii) Engaging in securities transactions as a  
5 dealer or salesman registered under W.S. 17-4-101 through  
6 ~~17-4-130~~ 17-4-701;

7  
8 **17-11-118. Exemption from securities registration.**

9  
10 Corporations organized under the provisions of this act  
11 shall be exempt from registration under, or compliance  
12 with, the Wyoming Uniform Securities Act, ~~(chapter 160,~~  
13 ~~Session Laws of Wyoming, 1965)~~ W.S. 17-4-101 through  
14 17-4-701.

15  
16 **Section 3.** There is appropriated two hundred sixty  
17 thousand dollars (\$260,000.00) from the account created in  
18 W.S. 17-4-131(a) of the predecessor act to the secretary of  
19 state. This appropriation shall be for the period beginning  
20 with the effective date of this section and ending on June  
21 30, 2018. This appropriation shall only be expended for the  
22 purpose of rewriting securities computer system software.  
23 Notwithstanding any other provision of law, this  
24 appropriation shall not be transferred or expended for any  
25 other purpose and any unexpended, unobligated funds  
26 remaining from this appropriation shall revert as provided  
27 by law on June 30, 2018.

28  
29 **Section 4.** The secretary of state is authorized one  
30 (1) additional full-time permanent auditor position. There  
31 is appropriated one hundred fifty thousand dollars  
32 (\$150,000.00) from the account created in W.S. 17-4-131(a)  
33 of the predecessor act to the secretary of state. This  
34 appropriation shall be for the period beginning on the  
35 effective date of this section and ending on June 30, 2018.  
36 This appropriation shall only be expended for purposes of  
37 funding this position. Notwithstanding any other provision  
38 of law, this appropriation shall not be transferred or  
39 expended for any other purpose. The appropriation and  
40 position shall be included in the secretary of state's  
41 2019-2020 standard biennial budget request.

42  
43 **Section 5.** Any balance remaining in the account to  
44 which fees collected under W.S. 17-4-101 through 17-4-132  
45 of the predecessor act are deposited, other than the

1 general fund, shall be transferred to the securities  
2 enforcement and compliance account created under this act  
3 on July 1, 2017.

4  
5 **Section 6.**

6  
7 (a) Sections 1 and 2 of this act are effective July  
8 1, 2017.

9  
10 (b) Sections 3 through 5 of this act are effective  
11 immediately upon completion of all acts necessary for a  
12 bill to become law as provided by Article 4, Section 8 of  
13 the Wyoming Constitution.

14  
15 (END)