

FIRST REGULAR SESSION

# HOUSE BILL NO. 1151

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE FITZWATER (49).

2451H.03I

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

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

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

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

**409.315. 1. The offer or sale of a security by an issuer shall be exempt from the  
2 requirements of sections 409.3-101 to 409.3-106 and section 409.5-504, and each individual  
3 who represents an issuer in an offer or sale shall be exempt from the requirements of  
4 subsection (a) of section 409.4-402 if the offer or sale is conducted in accordance with each  
5 of the following requirements:**

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

8       **(2) The transaction shall meet the requirements of the federal exemption for  
9 intrastate offerings in Section 3(a)(11) of the Securities Act of 1933, 15 U.S.C. Section  
10 77c(a)(11), and Securities and Exchange Commission rule 147, 17 CFR 230.147.**

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

15       **(4) The issuer shall not accept an amount, not to exceed ten percent of any single  
16 purchaser's federal adjusted gross income, of more than ten thousand dollars from any**

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

17 single purchaser unless the purchaser is an accredited investor as defined by rule 501 of  
18 SEC regulation D, 17 CFR 230.501.

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

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

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

30 (a) The issuer;

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

33 (c) The bank or other depository institution in which investor funds will be  
34 deposited.

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

39 (9) The issuer shall inform all purchasers that the securities have not been  
40 registered under the act and, therefore, cannot be resold unless the securities are registered  
41 or qualify for an exemption from registration under section 409.2-202. In addition, the  
42 issuer shall make the disclosures required by subsection (f) of SEC rule 147, 17 CFR  
43 230.147(f).

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

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