



**Rules of
Elected Officials
Division 30—Secretary of State
Chapter 54—Exemptions and Federal Covered
Securities**

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Title 15—ELECTED OFFICIALS
Division 30—Secretary of State
Chapter 54—Exemptions and Federal
Covered Securities

15 CSR 30-54.010 General

PURPOSE: This rule prescribes general policies and procedures applicable to exemptions from the registration of securities.

(1) The commissioner may render interpretative opinions upon the request of applicants with respect to the availability of any exemption (section 409.6-605(d) of the Missouri Securities Act of 2003 (the Act)). For fees, see 15 CSR 30-50.030. The opinions of the commissioner do not constitute any approval of the securities or transactions concerned and it is unlawful for an applicant to represent to any prospective purchaser, customer, or client that the commissioner has announced approval (section 409.5-506, RSMo).

(2) The burden of proof that the offer and sale of large blocks of securities by any person or of any securities by controlling persons (15 CSR 30-50.010(1)(I)) is not directly or indirectly for the benefit of the issuer and therefore eligible for the nonissuer exemptions of section 409.2-202 of the Act, is upon the person claiming the exemption (section 409.5-503, RSMo). For purposes of this rule, sales of securities in accordance with rule 144 or any similar rule promulgated under the Securities Act of 1933 are deemed to be not directly or indirectly for the benefit of the issuer.

(3) All issuers who effect sales of securities pursuant to the exemptions specified in sections 409.2-201(7) and 409.2-203, RSMo, shall preserve the following records during the period of six (6) years following the completion of the sales:

(A) A copy of the application for the exemption and all exhibits to the application;

(B) A copy of all literature by which the issuer made disclosure to offerees of the offers for sale;

(C) Original copies of all communications received and copies of all communications sent by the issuer pertaining to the offer, sale, and transfer of the securities, including purchase agreements and confirmations; and

(D) A list of the names and addresses of all persons to whom the securities were sold, the type and amount of securities sold to each, the consideration paid or promised by each, the method of payment, for example, cash, check, property, services, note, and the name

of each person(s) who represented the issuer in effecting each sale.

AUTHORITY: sections 409.2-202, 409.2-203, 409.5-503, and 409.6-605, RSMo Supp. 2013. Original rule filed June 25, 1968, effective Aug. 1, 1968. Amended: Filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Dec. 19, 1975, effective Dec. 31, 1975. Amended: Filed Feb. 18, 2003, effective Aug. 30, 2003. Emergency amendment filed Aug. 26, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 26, 2003, effective Feb. 29, 2004. Amended: Filed Dec. 3, 2013, effective July 30, 2014.*

**Original authority: 409.2-202, RSMo 2003; 409.2-203, RSMo 2003; 409.5-503, RSMo 2003; 409.6-605, RSMo 2003.*

15 CSR 30-54.015 Notice Filings for Investment Companies

PURPOSE: This rule prescribes the notice to be filed for investment companies as federal covered securities.

(1) The initial notice required under section 409.3-302(a), to be filed for investment companies, that include an open-end or closed-end investment company, unit investment trust or face amount certificate company, as those persons are classified in the Investment Company Act of 1940, shall consist of the following:

(A) The Uniform Investment Company Notice Filing Form (Form NF) and accompanying documents;

(B) Form U-2, Consent to Service of Process; and

(C) The fee described in 15 CSR 30-50.030.

(2) No documents filed by investment companies with the U.S. Securities and Exchange Commission need to be filed with the notice described in section (1) above.

(3) Annual Sales Report or Termination. For investment companies, the following notice shall be filed with the division when applicable:

(A) An annual sales report on the Form NF and the fee described in 15 CSR 30-50.030 within sixty (60) days of the company's fiscal year end; or

(B) A termination notice on the Form NF and the fee described in 15 CSR 30-50.030

(this notice needs to be filed with the division on the completion of the offering in Missouri).

(4) Renewals. The annual renewal for investment companies shall consist of the Form NF and a one hundred dollar (\$100) filing fee. This notice needs to be filed with the division within thirty (30) days before the anniversary of the company's effective date in Missouri or at the time of the company's fiscal year end.

(5) Amendments. During the period of the offering, the investment company shall take steps necessary to insure that all material information contained in the notice remains current and accurate.

AUTHORITY: sections 409.3-302 and 409.6-605, RSMo Supp. 2003. Original rule filed Feb. 18, 2003, effective Aug. 30, 2003. Emergency amendment filed Aug. 26, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 26, 2003, effective Feb. 29, 2004.*

**Original authority: 409.3-302, RSMo 2003; 409.6-605, RSMo 2003.*

15 CSR 30-54.020 Government Issued or Guaranteed Securities

PURPOSE: This rule prescribes policies and procedures applicable to filings for the exemption of government issued or guaranteed securities.

(1) Any security (including a revenue obligation), for the purposes of section 409.2-201(1) of the Missouri Securities Act of 2003, shall be construed to include loan or lease arrangement guarantees, as well as revenue obligations to which they relate.

AUTHORITY: sections 409.2-201(1) and 409.6-605, RSMo Supp. 2003. Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Dec. 19, 1975, effective Dec. 31, 1975. Amended: Filed Dec. 22, 1987, effective Aug. 11, 1988. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 26, 2003, effective Feb. 29, 2004.*

**Original authority: 409.2-201, RSMo 2003; 409.6-605, RSMo 2003.*

**15 CSR 30-54.030 Bank, Savings Institution or Trust Company Securities**

(Rescinded February 29, 2004)

AUTHORITY: sections 409.402(a)(3) and 409.413(a), RSMo 1986. * Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed March 27, 1989, effective June 12, 1989. Emergency rescission filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Rescinded: Filed Aug. 26, 2003, effective Feb. 29, 2004.

15 CSR 30-54.040 Federal Savings and Loan Association or State Building and Loan or Similar Association Securities

(Rescinded February 29, 2004)

AUTHORITY: sections 409.402(a)(4) and 409.413(a), RSMo 1986. Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Emergency rescission filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Rescinded: Filed Aug. 26, 2003, effective Feb. 29, 2004.

15 CSR 30-54.050 Railroad, Other Common Carrier, Public Utility and Holding Company Securities

PURPOSE: This rule prescribes policies applicable to the exemption of securities of railroads, other common carriers, public utilities and holding companies.

(1) A common carrier, for the purposes of section 409.2-201(5) of the Missouri Securities Act of 2003 (the Act), shall be construed to include a contract carrier (section 3(a)(6), Securities Act of 1933; Section 214, Interstate Commerce Act, as amended).

AUTHORITY: sections 409.2-201(5) and 409.6-605, RSMo Supp. 2003. * Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 26, 2003, effective Feb. 29, 2004.

*Original authority: 409.2-201, RSMo 2003; 409.6-605, RSMo 2003.

15 CSR 30-54.060 Stock Exchange Listed Securities

PURPOSE: This rule prescribes policies applicable to the exemption on approved stock exchanges of securities listed or approved for listing upon notice of issuance.

(1) Stock exchanges specified by or approved under section 409.2-201(6) of the Missouri Securities Act of 2003 are as follows:

- (A) The Chicago Stock Exchange;
- (B) The Chicago Board Options Exchange;
- (C) Tier I or II of the Pacific Stock Exchange; and
- (D) Tier I of the Philadelphia Stock Exchange, Inc.

AUTHORITY: sections 409.2-201(6) and 409.6-605, RSMo Supp. 2005. * Original rule filed June 25, 1968, effective Aug. 1, 1968. Amended: Filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Sept. 25, 1991, effective Feb. 6, 1992. Amended: Filed Dec. 1, 1994, effective June 30, 1995. Amended: Filed Feb. 18, 2003, effective Aug. 30, 2003. Emergency amendment filed Aug. 26, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 26, 2003, effective Feb. 29, 2004. Amended: Filed July 26, 2006, effective Jan. 30, 2007.

*Original authority: 409.2-202, RSMo 2003; 409.6-605, RSMo 2003.

15 CSR 30-54.070 Not-for-Profit Securities

PURPOSE: This rule adopts a new rule that complies with the Missouri Securities Act of 2003 and that describes the terms and conditions of the request for exemption authorization under section 409.2-201(7)(B) of the Missouri Securities Act of 2003 that became effective September 1, 2003.

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here.

(1) The Securities Division will apply the applicable statement of policy adopted by the North American Securities Administrators Association, Inc. (NASAA) as listed in section (2) below when reviewing requests for exemption authorization pursuant to section 409.2-201(7)(B) of the Missouri Securities Act of 2003 (the Act).

(2) The following statements of policy are hereby incorporated by reference:

(A) Church Bonds as adopted by NASAA on April 14, 2002; and

(B) Church Extension Fund Securities as amended and published by NASAA on April 18, 2004. A copy of this policy can be obtained from NASAA, 750 First Street, NE, Suite 1140, Washington, DC 20002, and is available online at http://www.nasaa.org/wp-content/uploads/2011/07/39-Church_Extension_Fund_Securities.pdf. This rule does not incorporate any subsequent amendments or additions.

(3) Cross-Reference Sheet. If requested by the Securities Division, a request for exemption authorization shall include a cross-reference table to indicate compliance with, or deviation from, the various sections of the applicable NASAA statement of policy.

(4) Documents. The request for exemption shall include the documents listed in section II.A.3, of the NASAA Statement of Policy Regarding Church Bonds.

(5) Sales Literature. All sales and advertising literature shall be filed with the Securities Division prior to use and shall comply with the applicable NASAA statement of policy.

(6) Filing Fee. Each request for exemption under section 409.2-201(7)(B), RSMo shall include a filing fee of one hundred dollars (\$100) as specified in Missouri regulation 15 CSR 30-50.030.

(7) Effective Period. The securities that qualify for the exemption under section 409.2-201(7)(B), RSMo are exempt when ordered by the commissioner. The exemption is effective for one (1) year from the date that the securities were ordered to be exempt by the commissioner.

(8) Renewal. If the securities offering is not completed during the effective period, an issuer can renew the exemption by submitting to the commissioner a written request for renewal that includes any amendments to any documents filed with the request for the exemption and a fee of one hundred dollars (\$100). The renewal must be filed with the commissioner within thirty (30) days before



the end of the one (1) year effective date. With each renewal, the commissioner may require a cross-reference sheet to demonstrate compliance with the applicable NASAA statement of policy.

AUTHORITY: sections 409.2-201(7)(B) and 409.6-605, RSMo Supp. 2013.* Original rule filed June 25, 1968, effective Aug. 1, 1968. Amended: Filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed June 3, 1974, effective June 17, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Dec. 19, 1975, effective Dec. 31, 1975. Amended: Filed Oct. 15, 1987, effective Jan. 29, 1988. Rescinded and readopted: Filed Feb. 18, 2003, effective Aug. 30, 2003. Emergency rescission and rule filed Aug. 26, 2003, effective Sept. 12, 2003, expired March 9, 2004. Rescinded and readopted: Filed Aug. 26, 2003, effective Feb. 29, 2004. Amended: Filed March 27, 2006, effective Sept. 30, 2006. Amended: Filed Dec. 3, 2013, effective July 30, 2014.

*Original authority: 409.2-201, RSMo 2003; 409.6-605, RSMo 2003.

15 CSR 30-54.080 Commercial Paper Securities

(Rescinded February 29, 2004)

AUTHORITY: sections 409.402(a)(10) and 409.413(a), RSMo 1986. Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Emergency rescission filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Rescinded: Filed Aug. 27, 2003, effective Feb. 29, 2004.

15 CSR 30-54.090 Employees' Benefit Plan Securities

(Rescinded February 29, 2004)

AUTHORITY: sections 409.402(a)(11) and 409.413(a), RSMo 1986. Original rule filed June 25, 1968, effective Aug. 1, 1968. Amended: Filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Dec. 19, 1975, effective Dec. 31, 1975. Emergency rescission filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Rescinded: Filed Aug. 27, 2003, effective Feb. 29, 2004.

15 CSR 30-54.100 Manual Exemption

PURPOSE: This rule prescribes recognized securities manuals and policies applicable to nonissuer distributions of securities of issuers reported in the manuals.

(1) For the purpose of the manual exemption (section 409.2-202(2)(D) of the Missouri Securities Act of 2003 (the Act)), the following securities manual(s) or portions of the manual(s) is recognized: *Fitch Rating Register*.

(2) The exemption specified in section 409.2-202(2)(D) of the Act shall be available only when a recognized manual has contained the required information for a period of not less than ninety (90) days prior to the transaction.

AUTHORITY: sections 409.2-202(2)(D) and 409.6-605, RSMo Supp. 2003.* Original rule filed June 25, 1968, effective Aug. 1, 1968. Amended: Filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Jan. 14, 1987, effective June 11, 1987. Amended: Filed March 27, 1989, effective June 12, 1989. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004.

*Original authority: 409.2-202, RSMo 2003; 409.6-605, RSMo 2003.

15 CSR 30-54.110 Unsolicited Order to Buy Exemption

PURPOSE: This rule prescribes procedures applicable to the exemption of nonissuer transactions effected by or through a registered broker-dealer pursuant to an unsolicited order to buy.

(1) Any purchaser acquiring a security pursuant to the exemption specified in section 409.2-202(6) of the Missouri Securities Act of 2003 shall acknowledge in writing that his/her order to buy was unsolicited; provided, that no such acknowledgment shall be required if the confirmation furnished the purchaser is clearly marked "Unsolicited Order" or the broker-dealer furnishes the purchaser before or concurrently with the

delivery of the confirmation a memorandum stating that the transaction is based upon an unsolicited order to buy.

AUTHORITY: sections 409.2-202(6) and 409.6-605, RSMo Supp. 2003.* Original rule filed June 25, 1968, effective Aug. 1, 1968. Amended: Filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004.

*Original authority: 409.2-202, RSMo 2003; 409.6-605, RSMo 2003.

15 CSR 30-54.120 Mortgage-Note Exemption

PURPOSE: This rule prescribes policies on the availability of the exemption of evidence of indebtedness and the related security documents offered or sold as a unit.

(1) The exemption specified in section 409.2-202(11) of the Missouri Securities Act of 2003 shall not be considered to extend to any transaction in a security in the nature of an investment contract or profit-sharing agreement.

AUTHORITY: sections 409.2-202(11) and 409.6-605, RSMo Supp. 2003.* Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004.

*Original authority: 409.2-202, RSMo 2003; 409.6-605, RSMo 2003.

5 CSR 30-54.125 Institutional Buyer Exemption

(Rescinded February 29, 2004)

AUTHORITY: sections 409.402(b)(8) and 409.413(a), RSMo 1986. Original rule filed June 2, 1986, effective Oct. 27, 1986. Emergency rescission filed Aug. 29, 2003, effective Sept. 12, 2003, expired March 9, 2004. Rescinded: Filed Aug. 29, 2003, effective Feb. 29, 2004.



15 CSR 30-54.130 Limited Offering Exemption

PURPOSE: This rule prescribes the meaning of terms and conditions used in the transactional exemption of section 409.2-202(14) under the Missouri Securities Act of 2003.

(1) In determining the number of purchasers under section 409.2-202(14)(A), RSMo, purchasers shall include as many persons as there are record and beneficial owners of equity interests in any corporation, partnership, association, joint stock company, trust, limited liability company or unincorporated organization or other entity organized for the purpose of owning those securities of the issuer or which is merely a medium through or by which an individual invests or trades in securities and where that entity has no other substantial business. A tenancy by the entirety is one (1) person.

(2) General solicitation under section 409.2-202(14)(B), RSMo does not include an offer to sell or sale of securities where the offeror or the seller is the issuer or an agent of the issuer and the offeror or seller has a familial or substantive preexisting relationship with the offeree or purchaser.

AUTHORITY: sections 409.2-202(14) and 409.6-605, RSMo Supp. 2003. * Original rule filed June 25, 1968, effective Aug. 1, 1968. Amended: Filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Emergency rescission and rule filed Aug. 26, 2003, effective Sept. 12, 2003, expired March 9, 2004. Rescinded and re-adopted: Filed Aug. 27, 2003, effective Feb. 29, 2004.

*Original authority: 404.2-202, RSMo 2003; 409.6-605, RSMo 2003.

15 CSR 30-54.140 Fifteen Transactions in Twelve Months Exemption
(Rescinded February 29, 2004)

AUTHORITY: sections 409.402(b)(10) and 409.413(a), RSMo 1986. Original rule filed June 25, 1968, effective Aug. 1, 1968. Amended: Filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Dec. 19, 1975, effective Dec. 31, 1975. Amended: Filed Aug.

11, 1978, effective Feb. 11, 1979. Amended: Filed Oct. 16, 1986, effective Feb. 12, 1987. Amended: Filed Oct. 15, 1987, effective Jan. 29, 1988. Emergency rescission and rule filed Aug. 26, 2003, effective Sept. 12, 2003, expired March 9, 2004. Rescinded: Filed Aug. 27, 2003, effective Feb. 29, 2004.

15 CSR 30-54.150 Suggested Form of Investment Letter

PURPOSE: This rule suggests the form of an investment letter for securities offered pursuant to section 409.2-202(14), RSMo.

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(Name and Address of Issuer)

Dear Sir or Madam:

This is a statement of my intention to purchase (description of securities) of the (issuer) knowing that said (securities) are not registered for offer or sale under the Missouri Securities Act of 2003 (Chapter 409, RSMo).

Pursuant to subsection (D), of section 409.2-202(14) of the Missouri Securities Act of 2003, I hereby represent that I am purchasing said (securities) solely for investment and do not intend to divide my participation with others or to resell or otherwise dispose of all or any part of said (securities) in Missouri. In making the foregoing representations I understand that the statutory exemption of section 409.2-202(14) of the Missouri Securities Act of 2003 would not be available if I were acquiring said (securities) for resale or other disposition upon the occurrence or nonoccurrence of some predetermined event.

I acknowledge that the (issuer) is relying on the statutory exemption of section 409.2-202(14) of the Missouri Securities Act of 2003, and is basing his/her reliance in part on my said representations.

Further, I acknowledge that, unless said (securities) are registered under the Missouri Securities Act of 2003, I may not resell, hypothecate, transfer, or assign or make other disposition of said (securities) in the state of Missouri, except in transactions exempted from the registration requirements of the Act.

I have received and examined financial statements of the (issuer) for the (period or periods) and (other data) which I consider suffi-

cient to enable me to form a decision concerning my purchase.

(Name and Address of Purchaser)

AUTHORITY: sections 409.2-202(14) and 409.6-605, RSMo Supp. 2013. * Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004. Amended: Filed Dec. 3, 2013, effective July 30, 2014.

*Original authority: 409.2-202, RSMo 2003; 409.6-605, RSMo 2003.

15 CSR 30-54.160 Offers to Existing Security Holders Exemption
(Rescinded February 29, 2004)

AUTHORITY: sections 409.402(b)(11) and 409.413(a), RSMo 1986. Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Dec. 19, 1975, effective Dec. 31, 1975. Emergency rescission filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Rescinded: Filed Aug. 27, 2003, effective Feb. 29, 2004.

15 CSR 30-54.170 Preeffective Offer Exemption

PURPOSE: This rule prescribes policies applicable to the availability of transactional exemptions to offers of securities as to which registration statements have been filed under both the Securities Act of 1933 and Chapter 409, RSMo.

(1) The exemption specified in section 409.2-202(16) of the Missouri Securities Act of 2003 (the Act) shall not be available to any offer made after the later of either effectiveness of registration under the Act or effectiveness of the registration statement filed under the Securities Act of 1933.

AUTHORITY: sections 409.2-202(16) and 409.6-605, RSMo Supp. 2003. * Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004.



Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004.

*Original authority: 409.2-202, RSMo 2003; 409.6-605, RSMo 2003.

15 CSR 30-54.175 Solicitation of Interest

PURPOSE: This rule prescribes the procedures and the record that needs to be provided to offerees to comply with section 409.2-202(17) of the Missouri Securities Act of 2003.

(1) Scope of the Exemption. The solicitation of interest exemption under section 409.2-202(17) of the Missouri Securities Act of 2003 (the Act) is only available to issuers that are eligible and relying on an exemption under the Securities Act of 1933.

(2) Form and Content. The record to offerees shall consist of a preliminary offering document that meets the following requirements:

(A) The outside front cover page shall comply with subsection 230.255(a)(1) of regulation A under the Securities Act of 1933 or shall state—

A registration statement pursuant to the Missouri Securities Act of 2003 relating to these securities has been filed with the Missouri Securities Division. This Preliminary Offering Document is being distributed pursuant to the exemption under section 409.2-202(17) of the Missouri Securities Act of 2003.

Information contained in this Preliminary Offering Document is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time an offering document which is not designated as a Preliminary Offering Document is delivered and the offering statement filed with the Division becomes qualified. This Preliminary Offering Document shall not constitute an offer to sell or the solicitation of an offer to buy. Under no circumstances shall the issuer collect any funds for the securities while relying upon the exemption under section 409.2-202(17) of the Missouri Securities Act of 2003.

and

(B) The preliminary offering document shall contain substantially the information required in an offering circular under the form 1-A or form U-7.

(3) Filing. The issuer shall file the preliminary offering document and all related documents with the Securities Division as part of the registration statement prior to making any solicitations of interest under the exemption of section 409.2-202(17).

(4) No funds can be collected by the issuer for the securities while relying upon the exemption under section 409.2-202(17).

AUTHORITY: sections 409.2-202(17), 409.6-605 and 409.6-608, RSMo Supp. 2003.* *Emergency rule filed Oct. 10, 2003, effective Nov. 3, 2003, expired April 30, 2004. Original rule filed Oct. 10, 2003, effective April 30, 2004.*

*Original authority: 409.2-202, RSMo 2003; 409.6-605, RSMo 2003; and 409.6-608, RSMo 2003.

15 CSR 30-54.180 Securities and Exchange Commission Registration Nonissuer Exemption

(Rescinded February 11, 1979)

AUTHORITY: section 409.413, RSMo 1969. *Original rule filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed Oct. 19, 1973, effective Nov. 1, 1973. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Rescinded: Filed Aug. 11, 1978, effective Feb. 11, 1979.*

15 CSR 30-54.183 Exemption for Reporting Company Securities

PURPOSE: This rule prescribes the circumstances under which certain transactions in securities of reporting companies are exempted from the registration requirements of the Missouri Securities Act of 2003.

(1) The exemption specified in section 409.2-202(4) of the Missouri Securities Act of 2003 shall be available only when the reports filed under Section 13 of the Securities Exchange Act of 1934 have been on file for a period of not less than ninety (90) days prior to the transaction.

AUTHORITY: sections 409.2-202(4) and 409.6-605, RSMo Supp. 2003.* *Original rule filed Jan. 14, 1987, effective June 11, 1987. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004.*

*Original authority: 409.2-202, RSMo 2003; 409.6-605, RSMo 2003.

15 CSR 30-54.190 New Generation Processing Entity Exemption

PURPOSE: This rule complies with the Missouri Securities Act of 2003 and prescribes the qualifications for the exemption under the Missouri Securities Act of 2003 for securities issued by and representing an interest in a new generation processing entity.

(1) Definition. A “new generation processing entity” shall be defined as an “eligible new generation processing entity” as defined under section 348.432.1(4), RSMo which defines the term as a partnership, corporation, cooperative, or limited liability company organized or incorporated pursuant to the laws of this state consisting of not less than twelve (12) members, approved by the Missouri Agricultural and Small Business Development Authority, for the purpose of owning or operating within this state a development facility or a renewable fuel production facility in which producer members:

(A) Hold a majority of the governance or voting rights of the entity and any governing committee;

(B) Control the hiring of management; and

(C) Deliver agricultural commodities or products to the entity for processing, unless processing is required by multiple entities.

(2) Securities Exemption. The commissioner, pursuant to the provisions of section 409.2-203, RSMo, exempts from the registration requirements of section 409.3-301, RSMo securities issued by and representing an interest in a new generation processing entity if:

(A) A notice filing by the new generation processing entity is made with the commissioner that consists of the following:

1. A completed Form SE-1, Statement of Claim for the Exemption of Securities of a New Generation Processing Entity;

2. A completed Form U-2, Consent to Service of Process;

3. A completed Form U-2A, Uniform Form of Corporate Resolution;

4. A copy of the prospectus or offering document that shall have a minimum disclosure consisting of the following:

A. The name and address of the issuer;

B. The type of security being issued;

C. The total amount of securities being issued;

D. A risk factors section;

E. A description of the business or proposed business;



F. An itemized use of proceeds;
 G. A plan of distribution section;
 H. A summary of capitalization; and
 I. Historical financial statements of the issuer for the past three (3) fiscal years or since the issuer's inception, whichever is shorter, that are in conformity with generally accepted accounting principles (GAAP) and have been reviewed by a certified public accountant. If the balance sheet in the above financial statements is more than one hundred twenty (120) days old on the date of making the notice filing or if the issuer has not completed its first fiscal year, reviewed financial statements not more than one hundred twenty (120) days old shall be included and in conformity with GAAP;

5. A copy of the bylaws, operating agreement or similar document;
6. A copy of any advertising materials or any summaries of the offering document to be used in the offer or sale of the securities in Missouri;
7. A copy of any underwriting or selling agreements;
8. A copy of the subscription agreement; and
9. A filing fee of one hundred dollars (\$100);

(B) All proceeds raised by the new generation processing entity from the sale of securities pursuant to this exemption are held in escrow until the Missouri Agricultural and Small Business Development Authority provides final approval to the new generation processing entity for the new generation cooperative incentive tax credits. If the Missouri Agricultural and Small Business Development Authority does not provide final approval to the new generation processing entity for the new generation cooperative incentive tax credits, then the proceeds raised by new generation processing entity from the offer and sale of its securities under this exemption will be returned to investors.

(3) The securities of the new generation processing entity qualifying for the exemption under this regulation are exempt when ordered by the commissioner.

(4) Effective Period. The exemption under this regulation for the securities issued by or representing an interest in a new generation processing entity is effective for one (1) year from the date that the securities were ordered to be exempt by the commissioner.

(5) Amendments. The new generation processing entity shall file all amendments with the division in which there has been a material change to documents previously filed with the division. The new generation processing entity shall file with the division all

advertising materials to be used in the offer or sale of the securities exempt under this regulation.

(6) Renewal. If the securities offering is not completed during the effective period, an issuer can renew the exemption by submitting to the commissioner a written request for renewal that includes any amendments to any documents filed with the notice filing and a fee of one hundred dollars (\$100). The renewal needs to be received by the commissioner within thirty (30) days before the end of the one (1) year effective date.

(7) Any new generation processing entity that meets the qualifications of the exemption under section 409.2-201(8), RSMo can rely on the exemption of section 409.2-201(8), RSMo and need not qualify for the exemption under this regulation.

AUTHORITY: sections 409.2-203 and 409.6-605, RSMo Supp. 2003. Emergency rule filed Aug. 11, 1978, effective Aug. 23, 1978, expired Dec. 21, 1978. Original rule filed Aug. 11, 1978, effective Feb. 11, 1979. Emergency amendment filed April 6, 1983, effective April 16, 1983, expired Aug. 14, 1983. Rescinded and readopted: Filed April 6, 1983, effective July 11, 1983. Amended: Filed Oct. 15, 1987, effective Jan. 29, 1988. Rescinded: Filed Nov. 8, 2001, effective June 30, 2002. Readopted: Filed Nov. 1, 2001, effective June 30, 2002. Emergency rescission and rule filed Aug. 26, 2003, effective Sept. 12, 2003, expired March 9, 2004. Rescinded and readopted: Filed Aug. 27, 2003, effective Feb. 29, 2004.*

**Original authority: 409.2-203, RSMo 2003 and 409.6-605, RSMo 2003.*

15 CSR 30-54.195 Missouri Agricultural Cooperatives

PURPOSE: This rule complies with the Missouri Securities Act of 2003 and prescribes the qualifications for the exemption under the Missouri Securities Act of 2003 for securities issued by and representing an interest in a Missouri agricultural cooperative.

(1) Definition. An "agricultural cooperative" shall be defined as a cooperative corporation organized under the Missouri Nonprofit Cooperative Marketing Law, in which farmers act together—

(A) In processing, preparing for market, handling, and/or marketing the farm products of person so engaged; or

(B) In purchasing, testing, grading, processing, distributing and/or furnishing farm supplies and/or farm business services; provided, however, that such cooperative corporations are operated for the mutual benefit of the members thereof as such producers or purchasers and conform to one (1) or both of the following requirements:

1. No member of the cooperative corporation is allowed more than one (1) vote because of the amount of stock or membership capital s/he may own therein;
2. The cooperative corporation does not pay dividends on stock or membership capital in excess of eight percent (8%) per year; and
3. The cooperative corporation does not deal in farm products, farm supplies, and farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members; further, all business transacted by any such cooperative corporation for or on behalf of the United States or any agency or instrumentality thereof shall be disregarded in determining the volume of member and nonmember business transacted by such agricultural cooperative corporation.

(2) Securities Exemption. The commissioner, pursuant to the provisions of section 409.2-203, RSMo, exempts from the registration requirements of section 409.3-301, RSMo securities issued by and representing an interest in an agricultural cooperative if:

(A) A notice filing by the agricultural cooperative is made with the commissioner that consists of the following:

1. A completed Form SE-2, Statement of Claim for the Exemption of Securities of a Missouri Agricultural Cooperative;
2. A completed Form U-2, Consent to Service of Process;
3. A completed Form U-2A, Uniform Form of Corporate Resolution;
4. A copy of the prospectus or offering document that shall have a disclosure of material facts consisting of the following:
 - A. The name and address of the issuer;
 - B. The type of security being issued;
 - C. The total amount of securities being issued;
 - D. Summary information, which provides a brief overview of key aspects of the offering;
 - E. A risk factors section, which discloses general risk factors related to suitability and the failure to diversify, and any factors that make the offering speculative or risky, including, but not limited to: lack of recent



profits from operations, poor financial position, lack of market for cooperative's securities, inexperience of management, factors related to the cooperative's business, and/or the dependency of the cooperative on retaining a particular customer or group of customers;

F. A description of the business or proposed business;

G. An itemized use of proceeds;

H. A description of directors, officers and other principal management, including a summary of compensation;

I. A plan of distribution section;

J. A summary of capitalization;

K. A description of any material pending legal proceedings other than ordinary routine litigation incidental to its business; and

L. Historical financial statements of the issuer for the past three (3) fiscal years or since the issuer's inception, whichever is shorter, that are in conformity with generally accepted accounting principles (GAAP) and have been audited by a certified public accountant. If the balance sheet in the above financial statements is more than one hundred twenty (120) days old on the date of making the notice filing, or if the issuer has not completed its first fiscal year, reviewed financial statements not more than one hundred twenty (120) days old shall be included and in conformity with GAAP;

5. A copy of the bylaws, operating agreement or similar document;

6. A copy of any advertising materials or any summaries of the offering document to be used in the offer or sale of the securities in Missouri;

7. A copy of any underwriting or selling agreements;

8. The names, business addresses, and a brief description of employment responsibilities for each of the agents who will represent the agricultural cooperative in the offer or sale of the securities in Missouri;

9. A copy of the subscription agreement; and

10. A filing fee of one hundred dollars (\$100).

(3) The securities of the agricultural cooperative qualifying for the exemption under this regulation are exempt when ordered by the commissioner.

(4) Effective Period. The exemption under this regulation for the securities issued by or representing an interest in an agricultural cooperative is effective for one (1) year from the date that the securities were ordered to be exempt by the commissioner.

(5) Amendments. The agricultural cooperative shall file all amendments with the division in which there has been a material change to documents previously filed with the division. The agricultural cooperative shall file with the division all advertising materials to be used in the offer or sale of the securities exempt under this regulation.

(6) Renewal. If the securities offering is not completed during the effective period, an issuer can renew the exemption by submitting to the commissioner a written request for renewal that includes any amendments to any documents filed with the notice filing and a fee of one hundred dollars (\$100). The renewal needs to be received by the commissioner within thirty (30) days before the end of the one (1) year effective date.

(7) Agent Exemption. Agents of the agricultural cooperative may be exempt from agent registration under 15 CSR 30-51.180.

(8) Any agricultural cooperative that meets the qualifications of the exemption under section 409.2-201(8), RSMo can rely on the exemption of section 409.2-201(8), RSMo and need not qualify for the exemption under this regulation.

AUTHORITY: sections 409.2-203 and 409.6-605, RSMo Supp. 2004. Original rule filed May 26, 2004, effective Nov. 30, 2004. Amended: Filed Dec. 10, 2004, effective June 30, 2005.*

**Original authority: 409.2-203, RSMo 2003 and 409.6-605, RSMo 2003.*

15 CSR 30-54.200 Transactional Exemption for Oil, Gas or Mining
(Rescinded November 11, 1984)

AUTHORITY: sections 409.402 and 409.413, RSMo 1978. Original rule filed Aug. 7, 1981, effective Nov. 12, 1981. Emergency amendment filed April 6, 1983, effective April 16, 1983, expired Aug. 14, 1983. Amended: Filed April 6, 1983, effective July 11, 1983. Emergency rescission filed Aug. 1, 1984, effective Aug. 11, 1984, expired Nov. 11, 1984. Rescinded: Filed Aug. 1, 1984, effective Nov. 11, 1984.

15 CSR 30-54.210 Notice Filings for Transactions under Regulation D, Rules 505 and 506

PURPOSE: This rule prescribes the policies and procedures applicable to transactions in

Missouri under Regulation D, Rules 505 and 506.

(1) Rule 505.

(A) Pursuant to section 409.2-203 of the Missouri Securities Act of 2003 (the Act), transactions that are exempt securities under 17 CFR 230.505 are exempt from section 409.3-301, RSMo. As a condition of this exemption, the issuer shall comply with the requirements in sections (3) and (4) below.

(B) Disqualification. The exemption under subsection (1)(A) is not available to an issuer if the issuer, any of the issuer's predecessors, any affiliated issuer, any of the issuer's directors, officers, general partners, beneficial owners of ten percent (10%) or more of any class of its equity securities, any of the issuer's promoters presently connected with the issuer in any capacity, any underwriter of the securities to be offered, or any partner, director, or officer of such underwriter—

1. Within the last five (5) years, has filed a registration statement which is the subject of a currently effective registration stop order entered by any state securities administrator or the U.S. Securities and Exchange Commission (SEC);

2. Within the last five (5) years, has been convicted of any criminal offense in connection with the offer, purchase, or sale of any security, or involving fraud or deceit;

3. Is currently subject to any state or federal administrative enforcement order or judgment, entered within the last five (5) years, finding fraud or deceit in connection with the purchase or sale of any security; or

4. Is currently subject to any order, judgment, or decree of any court of competent jurisdiction, entered within the last five (5) years, temporarily, preliminary, or permanently restraining or enjoining such party from engaging in or continuing to engage in any conduct or practice involving fraud or deceit in connection with the purchase or sale of any security.

(C) Subsection (1)(B) shall not apply if:

1. The party subject to the disqualification is licensed or registered to conduct securities related business in the state in which the order, judgment, or decree creating the disqualification was entered against such party;

2. Before the first offer under this exemption, the state securities administrator, or the court or regulatory authority that entered the order, judgment, or decree, waives the disqualification; or

3. The issuer establishes that it did not know and in the exercise of reasonable care, based on a factual inquiry, could not have



known that a disqualification existed under this subsection.

(2) Rule 506. The issuer shall file a notice under section 409.3-302(c), RSMo, as stated in sections (3) and (4) below.

(3) Notice Filings for Rules 505 and 506. The notice filing required for transactions in Missouri under 17 CFR 230.505 and 17 CFR 230.506, unless the securities or transactions would qualify for an exemption under sections 409.2-201, 409.2-202, or 409.2-203 of the Act, shall meet the requirements of subsection (A) or (B).

(A) Paper Filing. A paper filing shall be made with the commissioner and shall consist of—

1. One (1) paper copy of the electronic Form D filed with the SEC;

2. The filing fee of one hundred dollars (\$100) as described in 15 CSR 30-50.030; and

3. A cover letter stating the date on which the first sale of securities had occurred in Missouri or whether no sales have yet occurred in Missouri.

(B) Electronic Filing. A notice filing and related fees as described in 15 CSR 30-50.030 shall be transmitted to the Electronic Filing Depository, operated by the North American Securities Administrators Association, pursuant to 15 CSR 30-50.020(2).

(4) Each notice filing made pursuant to section (3) shall be filed no later than fifteen (15) calendar days after the first sale of the securities in Missouri, unless the due date falls on a Saturday, Sunday, or holiday, in which case the due date is the first business day following.

(5) Amendments. During the period of the offering, the issuer shall take steps necessary to insure that all material information contained in the notice filing remains current and accurate.

AUTHORITY: sections 409.2-203, 409.3-302, and 409.6-605, RSMo Supp. 2013. Emergency rule filed Aug. 12, 1982, effective Aug. 22, 1982, expired Dec. 10, 1982. Original rule filed Aug. 11, 1982, effective Dec. 11, 1982. Emergency amendment filed Aug. 1, 1984, effective Aug. 11, 1984, expired Nov. 11, 1984. Amended: Filed Jan. 14, 1987, effective June 25, 1987. Amended: Filed Oct. 15, 1987, effective Jan. 29, 1988. Amended: Filed Jan. 3, 1990, effective March 11, 1990. Rescinded and readopted: Filed Feb. 18, 2003, effective Aug. 30, 2003. Emergency amendment filed Aug. 26, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 27, 2003, effective*

Feb. 29, 2004. Amended: Filed Nov. 30, 2010, effective May 30, 2011. Emergency amendment filed Jan. 21, 2015, effective Jan. 31, 2015, expired July 29, 2015. Amended: Filed Jan. 21, 2015, effective Aug. 30, 2015.

**Original authority: 409.2-203, RSMo 2003; 409.3-302, RSMo 2003; 409.6-605, RSMo 2003.*

15 CSR 30-54.215 Missouri Accredited Investor Exemption

PURPOSE: This rule more clearly describes the exemption of offers and sales to accredited investors from the requirements of sections 409.3-301 and 409.5-504 of the Missouri Securities Act of 2003.

(1) The commissioner, pursuant to the provisions of section 409.2-203 of the Missouri Securities Act of 2003 (the Act), exempts any offer or sale of a security by an issuer in a transaction that meets the requirements of this rule from the requirements of section 409.3-301 and 409.5-504 of the Act. Sales of securities shall be made only to persons who are or the issuer reasonably believes are accredited investors. "Accredited investor" is defined in 17 CFR 230.501(a).

(2) The exemption is not available to an issuer that is in the development stage that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person.

(3) The issuer reasonably believes that all purchasers are purchasing for investment and not with the view to or for sale in connection with a distribution of the security. Any resale of a security sale in reliance on this exemption within twelve (12) months of sale shall be presumed to be with a view to distribution and not for investment, except a resale pursuant to a registration statement effective under section 409.3-301 of the Act or to an accredited investor pursuant to an exemption available under section 409.2-203 of the Act.

(4) The exemption is not available to an issuer if the issuer, any of the issuer's predecessors, any affiliated issuer, any of the issuer's directors, officers, general partners, beneficial owners of ten percent (10%) or more of any class of its equity securities, any of the issuer's promoters presently connected with the issuer in any capacity, any underwriter of the securities to be offered, or any partner, director or officer of such underwriter:

(A) Within the last five (5) years, has filed a registration statement which is the subject

of a currently effective registration stop order entered by any state securities administrator or the United States Securities and Exchange Commission;

(B) Within the last five (5) years, has been convicted of any criminal offense in connection with the offer, purchase or sale of any security, or involving fraud or deceit;

(C) Is currently subject to any state or federal administrative enforcement order or judgment, entered within the last five (5) years, finding fraud or deceit in connection with the purchase or sale of any security; or

(D) Is currently subject to any order, judgment or decree of any court of competent jurisdiction, entered within the last five (5) years, temporarily, preliminarily or permanently restraining or enjoining such party from engaging in or continuing to engage in any conduct or practice involving fraud or deceit in connection with the purchase or sale of any security.

(5) Section (4) shall not apply if:

(A) The party subject to the disqualification is licensed or registered to conduct securities related business in the state in which the order, judgment or decree creating the disqualification was entered against such party;

(B) Before the first offer under this exemption, the state securities administrator, or the court or regulatory authority that entered the order, judgment, or decree, waives the disqualification; or

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

(6) A general announcement of the proposed offering may be made by any means.

(7) The general announcement shall include only the following information, unless additional information is specifically permitted by the commissioner:

(A) The name, address and telephone number of the issuer of the securities;

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

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

(D) The type, number and aggregate amount of securities being offered;

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

(F) A statement that:

1. Sales will only be made to accredited investors;



2. No money or other consideration is being solicited or will be accepted by way of this general announcement; and

3. The securities have not been registered with or approved by any state securities agency or the U.S. Securities and Exchange Commission and are being offered and sold pursuant to an exemption from registration.

(8) The issuer, in connection with an offer, may provide information in addition to the general announcement under section (7), if such information:

(A) Is delivered through an electronic database that is restricted to persons who have been prequalified as accredited investors; or

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

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

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

(11) The issuer shall file with the securities division a Form AI, a consent to service of process, a copy of the general announcement, and a notice filing fee in compliance with rule 15 CSR 30-50.030 within fifteen (15) days after the first sale in this state.

AUTHORITY: sections 409.2-203 and 409.6-605, RSMo Supp. 2005. Original rule filed March 27, 1989, effective June 12, 1989. Amended: Filed Jan. 3, 1990, effective March 11, 1990. Amended: Filed Aug. 3, 1992, effective April 8, 1993. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004. Emergency rescission and rule filed Sept. 1, 2004, effective Sept. 11, 2004, expired March 9, 2005. Rescinded and readopted: Filed Sept. 1, 2004, effective Feb. 28, 2005. Amended: Filed Sept. 21, 2005, effective March 30, 2006.*

*Original authority: 409.2-203, RSMo 2003 and 409.6-605, RSMo 2003.

15 CSR 30-54.220 Transaction Exemption for Securities Listed on Certain Quotation Systems

PURPOSE: This rule prescribes the circum-

stances under which transactions in securities listed on the National Association of Securities Dealers, Inc., Automated Quotation System are exempt from the requirements of sections 409.3-301 and 409.5-504 of the Missouri Securities Act of 2003.

(1) The commissioner, pursuant to the provisions of section 409.2-203 of the Missouri Securities Act of 2003 (the Act), exempts the following transactions from the requirements of sections 409.3-301 and 409.5-504 of the Act:

(A) The offer or sale of a security designated or approved for designation upon notice of issuance (including initial public offerings) on the National Market of the National Association of Securities Dealers, Inc., Automated Quotation System (NASDAQ) and any other security of the same issuer that is of senior or substantially equal rank, any security called for by subscription rights or warrants or any warrant or right to purchase or subscribe to any of the foregoing securities;

(B) The administrator shall have the authority, after notice and hearing and upon written Findings of Fact and Conclusions of Law subject to judicial review:

1. To terminate this exemption if the administrator finds that the designation standards have been so changed or insufficiently applied that the protection of investors contemplated by the original designation standards is no longer afforded;

2. To deny the exemption from registration of, or revoke, a specific issue of securities; and

3. To deny the exemption by rulemaking to a category of securities when necessitated by the public interest and for the protection of investors; and

(C) For purposes of the exemption granted in this section of the Act, the commissioner shall apply the following standards for designation of additional quotation systems:

1. The association providing the automated quotation system (association) shall require at least the following standards to be met for designation of securities of an issuer on the quotation system:

	Alt. No. 1	Alt. No. 2
Net Tangible Assets 1/	\$4,000,000	\$12,000,000
Public Float	\$ 500,000	\$ 1,000,000
Pretax Income	\$ 750,000	
Net Income	\$ 400,000	
Shareholders 2/	800/400	800/400
Market Value of Float	\$3,000,000	\$15,000,000
Minimum Bid	\$ 5/Share	
Operating History		3 Years

The rules of each association shall require at least two (2) authorized market makers for each issuer;

2. The association shall require at least the following minimum corporate governance standards for its domestic issuers:

A. Distribution of annual and interim reports.

(I) Each issuer shall distribute to shareholders copies of an annual report containing audited financial statements of the company and its subsidiaries. The report shall be distributed to shareholders a reasonable period of time prior to the company's annual meeting of shareholders and shall be filed with the association at the time it is distributed to shareholders.

(II) Each issuer which is subject to U.S. Securities and Exchange Commission (SEC) Rule 13A-13 shall make available to shareholders copies of quarterly reports, including statements of operating results, either prior to or as soon as practicable following the company's filing its Form 10-Q with the SEC. If the form of the quarterly report differs from the Form 10-Q, both the quarterly report and the Form 10-Q shall be filed with the association. The statement of operations contained in quarterly reports shall disclose, at a minimum, any substantial items of an unusual or nonrecurrent nature and net income and the amount of estimated federal taxes.

(III) Each issuer which is not subject to SEC Rule 13A-13 and which is required to file with the SEC or another federal or state regulatory authority interim reports relating primarily to operations and financial position, shall make available to shareholders reports which reflect the information contained in those interim reports. These reports shall be made available to shareholders either before or as soon as practicable following filing with the appropriate regulatory authority. If the form of the interim report made available to shareholders differs from that filed with the regulatory authority, both the report to shareholders and the report to the regulatory authority shall be filed with the association;

B. Independent directors. Each issuer shall maintain a minimum of two (2) independent directors on its board of directors. For purposes of subsection (1)(C), independent director shall mean a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director;

C. Audit committee. Each issuer shall establish and maintain an audit committee, a majority of the members of which shall be independent directors;



D. Shareholder meetings. Each issuer shall hold an annual meeting of shareholders and shall provide notice of the meeting to the association;

E. Quorum. Each issuer shall provide for a quorum as specified in its bylaws for any meeting of the holders of common stock; provided, however, that in no case shall the quorum be less than thirty-three and one-third percent (33 1/3%) of the outstanding shares of the company's common voting stock;

F. Solicitation of proxies. Each issuer shall solicit proxies and provide proxy statements for all meetings of shareholders and shall provide copies of the proxy solicitation to the association;

G. Conflicts of interest. Each issuer shall conduct an appropriate review of all related party transactions on an ongoing basis and shall use the company's audit committee or a comparable body for the review of potential conflict of interest situations where appropriate; and

H. Shareholder approval policy. Each issuer shall require shareholder approval of the issuance of securities in connection with the following:

(I) Options, plans or other special remuneration plans for directors, officers or key employees;

(II) Actions resulting in a change in control of the issuer; and

(III) The acquisition, direct or indirect, of a business, a company, tangible or intangible assets or property or securities representing any such interests—

(a) From a director, officer or substantial security holder of the company (including its subsidiaries and affiliates) or from any company or party in which one of these persons has a direct or indirect interest; and

(b) Where the present or potential issuance of common stock or securities convertible into common stock could result in an increase in outstanding common shares of twenty-five percent (25%) or more;

3. Voting rights.

A. The rules of each association shall provide as follows: No rule, stated policy, practice or interpretation of this association shall permit the designation on the NASDAQ System's National Market (authorization), or the continuance of authorization, of any common stock or other equity security of a domestic issuer if, on or after July 7, 1988, the issuer of the security issues any class of security or takes other corporate action with the effect of nullifying, restricting or disparately reducing the per share voting rights of holders of an outstanding class(es) of com-

mon stock of the issuer registered pursuant to Section 12 of the Securities Exchange Act of 1934.

B. For purposes of subparagraph (1)(C)3.A., the following shall be presumed to have the effect of nullifying, restricting or disparately reducing the per share voting rights of an outstanding class(es) of common stock:

(I) Corporate action to impose any restriction on the voting power of shares of the common stock of the issuer held by a beneficial owner or record holder based on the number of shares held by the beneficial or record holder;

(II) Corporate action to impose any restriction on the voting power of shares of the common stock of the issuers held by a beneficial or record holder based on the length of time the shares have been held by that beneficial or record holder;

(III) Any issuance of securities through an exchange offer by the issuer for shares of an outstanding class of common stock of the issuer, in which the securities issued having voting rights greater than or less than the per share voting rights of any outstanding class of the common stock of the issuer; and

(IV) Any issuance of securities pursuant to a stock dividend, or any other type of distribution of stock, in which the securities issued have voting rights greater than the per share voting rights of any outstanding class of the common stock of the issuer.

C. For purposes of subparagraph (1)(C)3.A., the following, standing alone, shall be presumed not to have the effect of nullifying, restricting or disparately reducing the per share voting rights of holders of an outstanding class(es) of common stock:

(I) The issuance of securities pursuant to an initial registered public offering;

(II) The issuance of any class of securities, through a registered public offering, with voting rights not greater than the per share voting rights of any outstanding class of the common stock of the issuer;

(III) The issuance of any class of securities to effect a *bona fide* merger or acquisition, with voting rights not greater than the per share voting rights of any outstanding class of the common stock of the issuer; and

(IV) Corporate action taken pursuant to state law requiring a state's domestic corporation to condition the voting rights of a beneficial or record holder of a specified threshold percentage of the corporation's voting stock on the approval of the corporation's independent shareholders.

D. Definitions. The following terms shall mean, for purposes of this subsection, and the rules of each association shall include these definitions for the purposes of the prohibition in subparagraph (1)(C)3.A. of this rule:

(I) The term common stock shall include any security of an issuer designated as common stock and any security of an issuer, however designated which, by statute or by its terms, is common stock (for example, a security which entitles the holders of the security to vote generally on matters submitted to the issuer's security holders for a vote);

(II) The term domestic issuer shall mean an issuer that is not a foreign private issuer as defined in Rule 3b-4 under the Securities Exchange Act of 1934 (17 CFR 240.3b-4);

(III) The term equity security shall include any equity security defined as such pursuant to Rule 3a11-1 under the Securities Exchange Act of 1934 (17 CFR 240.3a11-1); and

(IV) The term security shall include any security defined as such pursuant to Section 3(a)(10) of the Securities Exchange Act of 1934, but shall exclude any class of security having a preference or priority over the issuer's common stock as to dividends, interest payments, redemption or payments in liquidation, if the voting rights of the securities only become effective as a result of specified events, not relating to an acquisition of the common stock or the issuer, which reasonably can be expected to jeopardize the issuer's financial ability to meet its payment obligations to the holders of that class of securities;

4. Maintenance criteria. After designation or authorization for quotation on a quotation system, a security must meet the following criteria to continue to be designated or authorized for quotation on the quotation system:

A. The issuer of the security has net tangible assets of at least—

(I) Two (2) million dollars if the issuer has sustained losses from continuing operations or net losses, or both, in two (2) of its three (3) most recent fiscal years; or

(II) Four (4) million dollars if the issuer has sustained losses from continuing operations or net losses, or both, in three (3) of its four (4) most recent fiscal years;

B. There are at least two hundred thousand (200,000) publicly held shares;

C. There are at least four hundred (400) shareholders or at least three hundred (300) shareholders of round lots; and



D. The aggregate market value of publicly held shares is at least one (1) million dollars;

5. The associations promptly shall notify the commissioner of the revocation of designation of an issue of securities by their marketplace; and

6. The marketplace receiving an exemption will use its best efforts to make available on a timely basis information from existing data bases regarding offerings of securities subject to the exemption.

AUTHORITY: sections 409.2-203 and 409.6-605, RSMo Supp. 2003. This rule was previously filed as 15 CSR 30-54.200. Original rule filed Aug. 7, 1981, effective Nov. 12, 1981. Emergency rescission filed Aug. 1, 1984, effective Aug. 11, 1984, expired Nov. 11, 1984. Rescinded and readopted: Filed Aug. 1, 1984, effective Nov. 11, 1984. Amended: Filed March 27, 1989, effective June 12, 1989. Amended: Filed Jan. 3, 1990, effective March 11, 1990. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004.*

**Original authority: 409.2-203, RSMo 2003; 409.6-605, RSMo 2003.*

15 CSR 30-54.230 Exemption for Certain Unit Investment Trust Units (Rescinded April 30, 2004)

AUTHORITY: section 409.402(c), RSMo 1986. Original rule filed Oct. 16, 1986, effective Feb. 12, 1987. Rescinded: Filed Oct. 10, 2003, effective April 30, 2004.

15 CSR 30-54.240 Missouri Issuer Exemption (Rescinded April 30, 2004)

AUTHORITY: sections 409.402(c) and 409.413(a), RSMo 1986. Original rule filed June 2, 1986, effective Oct. 27, 1986. Amended: Filed Oct. 15, 1987, effective Jan. 29, 1988. Amended: Filed March 27, 1989, effective June 12, 1989. Amended: Filed Jan. 3, 1990, effective March 11, 1990. Rescinded: Filed Oct. 10, 2003, effective April 30, 2004.

15 CSR 30-54.250 Missouri Qualified Fund Exemption

PURPOSE: This rule provides an exemption for securities offered pursuant to section

100.390, RSMo when certain conditions are met.

(1) The commissioner, pursuant to the provisions of 409.2-203, RSMo, exempts the following securities from the requirements of sections 409.3-301 and 409.5-504 of the Missouri Securities Act of 2003 (the Act):

(A) Any securities issued by a qualified fund as defined in section 100.390, RSMo which shall be approved by one (1) or more qualified economic development organizations after a review by the Department of Economic Development and provided that the securities are sold pursuant to a disclosure document which has been filed with the Missouri commissioner of securities thirty (30) days prior to the offer or sale of the securities. The prospectus shall state on its cover in bold type that this is a high risk, speculative investment and that these securities are not approved by, guaranteed by or associated with Missouri;

(B) No commission or other remuneration may be paid or given directly or indirectly for soliciting or selling to any person in this state for reliance on this exemption except to securities brokers, dealers and agents licensed in this state;

(C) The applicants shall file with the commissioner a copy of the offering document, together with a fee of one hundred dollars (\$100), as well as a copy of the contract with the economic development center which has approved the qualified fund; and

(D) The qualified fund shall make the following provisions:

1. No officer, director or employee of the fund shall have any interest in a company receiving money from the fund;

2. The fund agrees to seek input from the innovation center in its review of investment;

3. The fund would require any company receiving funding from it to agree to be a client of the innovation center at the discretion of the innovation center;

4. The fund would submit quarterly reports to the innovation center on the progress of the companies the fund invested in; and

5. Investors in the fund shall have an annual gross income of at least sixty thousand dollars (\$60,000) and net worth of sixty thousand dollars (\$60,000) or one hundred twenty thousand dollars (\$120,000) net worth, exclusive of home, home furnishings and automobiles.

AUTHORITY: sections 409.2-203 and 409.6-605, RSMo Supp. 2003. Original rule filed March 27, 1989, effective June 12, 1989. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9,*

2004. Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004.

**Original authority: 409.2-203, RSMo 2003; 409.6-605, RSMo 2003.*

15 CSR 30-54.260 Foreign Issuer Exemption

PURPOSE: This rule exempts the securities of foreign issuers that satisfy certain standards.

(1) The commissioner, pursuant to the provisions of section 409.2-203, RSMo of the Missouri Securities Act of 2003 (the Act), exempts the following transactions from the requirements of sections 409.3-301 and 409.5-504 of the Act:

(A) Any nonissuer transaction by a registered broker-dealer in a security traded on a foreign stock exchange, foreign automated quotation system, or an American Depository Receipt provided:

1. The security is sold at a price reasonably related to the current market price of that security at the time of the transaction;

2. The security does not constitute the whole or part of an unsold allotment to, or subscription or participation by, the broker-dealer as an underwriter of that security; and either

3. The securities qualify for inclusion on the list of foreign margin stocks compiled by the United States Federal Reserve Board and meet the requirements of section 220.11(c)1-5 of Regulation T under the Securities Exchange Act of 1934; or

4. At the time of the transaction, Moody's Investor Service, *Moody's International Manual* contains a description of the issuer's business or operations, the names of the issuer's officers and directors or their corporate equivalents in the issuer's country of domicile, an audited balance sheet of the issuer as of a date within eighteen (18) months, and audited profit and loss statements for each of the issuer's two (2) fiscal years immediately preceding that date; or

5. The security is senior in rank to the common stock of the issuer, both as to interest or dividends and upon liquidation, and the security has been outstanding in the hands of the public for at least five (5) years and the issuer has not defaulted during the current fiscal year or within the five (5) preceding years of the payment of principal, interest, or dividend on the security;

(B) The exemption in subsection (1)(A) of this rule shall not be available for any security unless at the time of the transaction—



1. The security is a class which has been outstanding in the hands of the public for at least ninety (90) days;

2. The issuer of the security is a going concern actually engaged in business and not in the organizational stage or in bankruptcy or receivership;

3. The issuer of the security, including any predecessors, has been in continuous business or operations for at least five (5) years;

4. The issuer has net tangible assets, as reflected in the manual, of at least twenty (20) million dollars;

5. The issuer had an average net income after taxes, as reflected in the manual, of at least one (1) million dollars over the last three (3) years of operation; and

6. There are either two (2) or more authorized market makers for the issuer's securities in the United States, or at least one (1) market maker who is registered as a broker-dealer under the Securities Exchange Act of 1934 and has net capital of at least twenty-five (25) million dollars.

(2) In designating a foreign jurisdiction under section 409.2-202(23), RSMo, the commissioner shall determine whether a foreign jurisdiction's laws provide substantially similar protection to investors as is provided by the Securities Exchange Act of 1934 with respect to securities listed on a national securities exchange in the United States. The exchange in which designation is sought under this exemption shall file with the commissioner an undertaking to supply to him/her copies of public information in its files relating to any particular issuer whose securities are listed on the exchange if the commissioner requests such an undertaking. The commissioner will determine upon application by any interested party whether the laws of any particular country meet the standards of this provision.

(3) For purposes of section 409.2-202(23), RSMo, the following are designated securities exchanges:

- (A) The Montreal Stock Exchange; and
- (B) The TSX Venture Exchange.

AUTHORITY: sections 409.2-202(23) and 409.2-203, RSMo Supp. 2013, and section 409.6-605, RSMo Supp. 2015. Original rule filed March 27, 1989, effective June 12, 1989. Amended: Filed June 29, 1990, effective Dec. 31, 1990. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004. Amended: Filed Nov. 8, 2005, effective May 30, 2006.*

Amended: Filed May 11, 2016, effective Nov. 30, 2016.

**Original authority: 409.2-202, RSMo 2003, 2005; 409.2-203, RSMo 2003; and 409.6-605, RSMo 2015.*

15 CSR 30-54.280 Tax Credit Exemption (Rescinded April 30, 2004)

AUTHORITY: section 409.413(a), RSMo 1986. Emergency rule filed Dec. 21, 1992, effective Dec. 31, 1992, expired April 29, 1993. Emergency rule filed April 14, 1993, effective April 30, 1993, expired Aug. 27, 1993. Original rule filed Feb. 5, 1993, effective July 8, 1993. Rescinded: Filed Oct. 10, 2003, effective April 30, 2004.

15 CSR 30-54.290 Canadian-United States Cross-Border Trading Exemption

PURPOSE: This rule prescribes transactions exempted pursuant to section 409.2-203, RSMo, for Canadians who are temporarily a resident in or visiting this state and persons in the state who are holders of or contributors to Canadian self-directed tax advantaged retirement accounts.

(1) Any offer or sale of a security effected by a Canadian broker-dealer exempted from broker-dealer registration pursuant to 15 CSR 30-51.180 is exempted from the securities registration requirements of section 409.3-301, RSMo.

AUTHORITY: sections 409.2-203 and 409.6-605, RSMo Supp. 2003. Original rule filed Dec. 28, 2001, effective July 30, 2002. Emergency amendment filed Aug. 19, 2003, effective Sept. 12, 2003, expired March 9, 2004. Amended: Filed Aug. 27, 2003, effective Feb. 29, 2004.*

**Original authority: 409.2-203, RSMo 2003; 409.6-605, RSMo 2003.*