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# Rules of Elected Officials

## Division 30—Secretary of State

### Chapter 52—Registration of Securities

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**Title 15—ELECTED OFFICIALS**  
**Division 30—Secretary of State**  
**Chapter 52—Registration of Securities**

**15 CSR 30-52.010 General Provisions**

*PURPOSE: This rule prescribes the form and content of applications for the registration of securities and procedures for the filing of applications.*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.*

*Editor's Note: Except for Form U-1, forms mentioned in this rule may be found following 15 CSR 30-50.040.*

(1) A registration statement may be filed pursuant to sections 409.302—409.305 of the Act by the filing of the appropriate application form (see 15 CSR 30-50.040(1)).

(2) Any application for the registration of securities for which a registration statement has been filed under the Securities Act of 1933 in connection with the same offering shall be considered and treated as a filing for registration by coordination pursuant to section 409.303 of the Act, unless the application specifies or otherwise makes clear, or the commissioner determines by order or otherwise, the filing is pursuant to either section 409.302 or 409.304 of the Act.

(3) No short-form registration is provided by the Act. Trading in outstanding securities may be effected only under one (1) or more of the Act's exemptions from registration (section 409.402, RSMo; 15 CSR 30-54).

(4) All applicants and registrants shall report immediately to the commissioner by telephone, telegram or amended application (promptly confirming in writing when by telephone)—

(A) Any change prior to registration in any of the information contained in the application or in any information, document, report or memorandum filed as a part of the application or incorporated in it by reference;

(B) Any stop order, denial, order to show cause, suspension or revocation order, injunction or restraining order or similar order entered or issued by any state or other regu-

latory authority or by any court, concerning the securities covered by the application or registration or other securities of the issuer being offered to the public;

(C) Any request by the applicant, registrant or issuer to any other state or regulatory authority for permission to withdraw any application to register the securities covered by the application or registration, and the receipt of notice from any state or regulatory authority in or with which an application has been filed that the application does not or will not comply with the requirements of the state or regulatory authority; and

(D) Additional information and documents in respect to the issuer or the securities covered by the application or registration as may be requested by the commissioner.

(5) Any application for registration of securities by notification shall contain the information and be accompanied by the documents specified in section 409.302(b) of the Act, in the application (Form S-20) and in these rules. The statement demonstrating eligibility for registration by notification (section 409.302(b)(1), RSMo) shall describe specifically the compliance by the issuer and any predecessors with each of the conditions set forth in section 409.302(a) of the Act.

(6) Any application for registration of securities by coordination shall contain the information and agreements and be accompanied by the documents specified in section 409.303(b) of the Act, in the application (Form U-1) and in these rules.

(7) Any application for registration of securities for which a prospectus or offering circular is required by regulation adopted by the Securities and Exchange Commission (SEC) under section 3(b) or (c), Securities Act of 1933 (for example, Regulation A, B or E) and for which a prospectus or offering circular has been filed, shall contain the information and agreements and be accompanied by the documents specified in section 409.303(b) of the Act, in the application (Form U-1) and these rules, including financial statements and shall be subject to compliance with section 409.303(c) of the Act.

(8) Any application for registration of securities by qualification shall contain the information and be accompanied by the documents specified in section 409.304(b) of the Act in the application (Form S-22) and in these rules.

(9) Applications for registration not containing the information and documents required by sections (5)—(8), unless otherwise deter-

mined by the commissioner, may not be accepted for filing under the Act.

(10) In the event the offering involves any warrant or right to purchase or subscribe to another security of the same or another issuer, or any security which gives the holder a present or future right or privilege to convert into another security of the same or another issuer, the application shall seek registration both of the warrant or right or the convertible security and the security called for by the warrant or right or by the conversion right or privilege (section 409.401(j)(5), RSMo), except as the latter securities may be exempt (section 409.402, RSMo).

(11) Any application for the registration of shares or certificates of beneficial interest of a real estate investment trust, as defined in Section 856, *Internal Revenue Code* of 1954, or other unincorporated real estate trust, shall contain the information and be accompanied by the documents specified in the Act (section 409.302, 409.303 or 409.304, RSMo) and shall include:

(A) The declaration of trust or other organizational instruments and all contracts, executed or proposed, with the adviser of the trust and with all affiliates and persons sponsoring the trust relating to the purposes of the trust and a summary of all contracts with all independent contractors who may manage, operate or furnish services to the trust or trust properties; and

(B) An item-by-item comparison and analysis of each provision of the declaration of trust or other organizational instrument and of the prospectus, with each provision of 15 CSR 30-52.150, with rationale and justification for any material deviations from the provisions of that rule.

(12) The registration of securities issued by a face-amount certificate company or redeemable securities issued by an open-end management company shall be accomplished by complying with the following:

(A) Initial registration filings shall include a Uniform Application to Register Securities (Form U-1), appropriate exhibits required by Form U-1, a copy of the federal registration statement and the one hundred dollar (\$100) filing fee prescribed by 15 CSR 30-50.030(2)(A)1.; and

(B) Post effective filing requirements shall include an Investment Company Sales Report—Indefinite Registration Annual Report (Form USR-1) or other form as the commissioner may prescribe which shall be filed annually within sixty (60) days after the

end of the issuer's fiscal year or upon termination of the issuer's registration. It shall be accompanied by a current prospectus and by fees required by 15 CSR 30-50.030(2)(A)5. Posteffective amendments relating to name or address changes, changes in the issuer's investment objectives and disciplinary amendments shall be filed in time required for these filings by the SEC. No other filing will be required.

(13) Policies with respect to redeemable securities issued by open-end management companies and unit investment trusts appear in 15 CSR 30-52.160.

(14) Oil, gas and mineral interests must comply with the following requirements:

(A) Any application for registration of certificates of interest or participations in an oil, gas or mining title or lease or in payments out of production under that title or lease (section 409.401(1), RSMo) shall be filed by a broker-dealer or any other person on whose behalf the offering is to be made (section 409.305(a), RSMo). In the case of these securities, there is no issuer (section 409.401(g)(2), RSMo);

(B) The application for registration of these securities shall contain the information and be accompanied by the documents required by the Act (section 409.302, 409.303 or 409.304, RSMo) and shall include data satisfying the policies of 15 CSR 30-52.180(1)(N); and

(C) The prospectus accompanying the application for registration shall bear the following statement, or other statement as the commissioner may require, printed in type as large as that generally in the body of the prospectus:

"These securities are not eligible for any transactional under the Missouri Uniform Securities Act (section 409.402(b), RSMo (1986)). Unless these securities are again registered under the act, they may not be reoffered for sale or resold in the State of Missouri (section 409.301)."

(15) Any application for registration of securities involving any contract or bond for the sale of any interest in real estate on deferred payments or on installment plans when such real estate is not situated in Missouri may be registered by qualification (Note—the exclusion of real estate "situated. . . in any state adjoining this state" from the definition of "foreign real estate securities" (section 409.401(1), RSMo) was declared unconstitutional in *Florida Realty, Inc. v. Kirkpatrick*, 509 SW2d 114 (Mo. 1974)); provided

(A) The application includes the information and documents specified in section 409.304(b) of the Act and in addition, pursuant to paragraph (17) of the Act, the following:

1. In the cases of land sales which are subject to the requirements of the federal Interstate Land Sales Full Disclosure Act, (15 USC 1718), a copy of the statement of record, a copy of the property report, a copy of any material filed with the appropriate state authorities charged with the responsibility of regulating the sale of lots in subdivisions, and all amendments to them, insofar as these documents relate to the foreign real estate securities sought to be registered in Missouri, a prospectus prepared in substantially the form and containing the information specified in 15 CSR 30-52.020 to the extent applicable and, in addition, the information required in a property report and an appropriate reference on the cover page of the prospectus to the filing of the list and certified copy of map or plat required by paragraphs (15)(A)3. and 4. and to the availability of all records required by this paragraph for examination by prospective purchasers;

2. In the cases of land sales which are not subject to the requirements of the federal Interstate Land Sales Full Disclosure Act, a copy of any material filed with the appropriate state authorities charged with the responsibility of regulating the sale of lots in subdivisions and all amendments to them, insofar as these documents relate to the foreign real estate securities sought to be registered in Missouri, a prospectus prepared in substantially the form and containing the information specified in 15 CSR 30-52.020 to the extent applicable and, in addition, the information which would be required in a federal property report and any information required by the state authorities and an appropriate reference on the cover page of the prospectus to the filing of the list and certified copy of map or plat required by paragraphs (15)(A)3. and 4. and to the availability of all records required by this paragraph for examination by prospective purchasers;

3. A list verified by an authorized officer of the applicant-developer of the lots or parcels of land showing the description (lot, block and unit number and plat book number and page) and offering price of each;

4. A certified copy of the recorded map or plat of the real estate tracts;

5. A sketch map of the subdivision or tracts in which the lots or parcels are located showing the principal features of the area, such as highways, streets, railroads and streams, within or adjacent to the subdivision or tracts, outline of units or blocks of lots or

parcels and distances to nearby communities and commercial facilities, which sketch map also shall be inserted in and made a part of the prospectus;

6. A list of the states in which the lots or parcels are being offered for sale or have been sold, a list of the states which have approved or registered the offering and a list of the states which have denied or disapproved the offering;

7. A statement that the offering of each lot or parcel in other states is at the same price as the offering price proposed for Missouri or setting forth the lowest basic price (dollar amount to the applicant-developer, exclusive of commissions and expenses) at which any of the lots or parcels are being offered for sale or have been sold in the other states;

8. The opinion of an attorney independent of control in or of the applicant-developer, or copy of a title insurance policy, attesting that the title or right to title to the lots or parcels is vested in the applicant-developer;

9. The opinion of an attorney independent of control in or of the applicant-developer, with respect to any sales agreement, or rider to the agreement, containing provisions unusual in the sale of real estate, to the effect that the provisions are valid and binding under the laws of the state in which the real estate is located and, if appropriate, under the laws of Missouri;

10. A copy of any agency agreement with persons intended to represent the applicant-developer in effecting offers and sales in Missouri, or a statement setting forth the contemplated broker-dealer, agent arrangements, or both, for the proposed sales in Missouri and a statement describing the plan for obtaining registration of those persons in Missouri, including qualifying by examination (see 15 CSR 30-51.020(7) and 15 CSR 30-51.030(1)(G)); and

11. Assurance of an authorized officer that the fees and expenses of any on-site inspection of the real estate, required by the commissioner, will be borne by the applicant and advanced upon request; and

(B) The application satisfies the policies of 15 CSR 30-52.190 and any orders of the commissioner.

*AUTHORITY: sections 409.302(b), 409.303(b), 409.304(b) and 409.413(a), RSMo (1994). \* 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 Nov. 15, 1974, effective Nov. 25, 1974. Amend-*

*ed: Filed Dec. 19, 1975, effective Dec. 31, 1975. Amended: Filed Aug. 11, 1978, effective Feb. 11, 1979. Emergency amendment filed Aug. 1, 1980, effective Aug. 13, 1980, expired Dec. 11, 1980. Amended: Filed Aug 13, 1980, effective Dec. 11, 1980. Amended: Filed Oct. 16, 1986, effective Feb. 12, 1987. Amended: Filed March 27, 1989, effective June 12, 1989. Amended: Filed Dec. 24, 1991, effective May 14, 1992. Amended: Filed Feb. 2, 1996, effective July 30, 1996.*

*\*Original authority 1967.*



**Rebecca McDowell Cook**  
 Secretary of State  
 State of Missouri

Securities Division • 600 W. Main • P.O. Box 1276 • Jefferson City, MO 65102

**Uniform Application to Register Securities**

*This form is to be used only where a registration statement covering the securities and offering described herein has been filed with the Securities and Exchange Commission.*

Application to \_\_\_\_\_ of the State of \_\_\_\_\_

pursuant to Section \_\_\_\_\_ of the \_\_\_\_\_

1. Name and address of issuer and principal office in this state:
  
2. Name, address and telephone number of correspondent to whom notices and communications regarding this application may be sent:
  
3. Name and address of applicant:
  
4. Registration or acceptance of filing is sought for the following described securities in the amounts indicated:

Description of Securities	Offering Price or Proposed Offering Price	Total Offering		Offering in This State	
		No. of Shares or Units	Amount \$	No. of Shares or Units	Amount \$

**Totals**

Indicate the maximum commission to be charged: \_\_\_\_\_ %

5. Amount of filing and examination fees which are enclosed: \$ \_\_\_\_\_ \$ \_\_\_\_\_

6. A Registration Statement was filed with the Securities and Exchange Commission on \_\_\_\_\_ Date  
 and (became) (will become) effective on \_\_\_\_\_ Date

7. (a) List the states in which it is proposed to offer the securities for sale to the public.

(b) List the states, if any, in which the securities are eligible for sale to the public.

- (c) List the states, if any, which have refused, by order or otherwise, to authorize the sale of the securities to the public, or have revoked or suspended the right to sell the securities, or in which an application has been withdrawn.
8. Submitted herewith as a part of this application are the following documents (documents on file may be incorporated by reference):
- (a) One copy of the Registration Statement and two copies of Prospectus in the latest form on file under the Securities Act of 1933.
  - (b) Underwriting Agreement, Agreement among Underwriters, and Selected Dealers Agreement.
  - (c) Indenture.
  - (d) Insurer's charter or articles of incorporation as amended to date.
  - (e) Issuer's bylaws as amended to date.
  - (f) Signed copy of opinion of counsel filed with Registration Statement pursuant to the Securities Act of 1933.
  - (g) Specimen (type of security).
  - (h) Consent to service of process accompanied by appropriate corporate resolution.
  - (i) If an earning computation or similar requirement is required to be met in this state, attach a separate sheet as an exhibit showing compliance.
  - (j) One copy of all advertising matter to be used in connection with the offering.
  - (k) Other (list each):
9. The applicant hereby applies for registration or acceptance for filing of the above registered securities under the law cited above and in consideration thereof agrees so long as the registration remains in effect that it will:
- (a) Advise the above named state authority of any change prior to registration in this state in any of the information contained herein or in any of the documents submitted with or as a part of this application.
  - (b) File with the above named state authority within two business days after filing with the Securities and Exchange Commission (i) any amendments other than delaying amendments to the federal registration statement, designating the changed, revised or added material or information by underlining the same; and (ii) the final prospectus, or any further amendments or supplements thereto.
  - (c) Notify the above named state authority within two business days (i) upon the receipt of any stop order, denial, order to show cause, suspension or revocation order, injunction or restraining order, or similar order entered or issued by any state or other regulatory authority or by any court, concerning the securities covered by this application or other securities of the issuer currently being offered to the public; and (ii) upon the receipt of any notice of effectiveness.
  - (d) Notify the above named state authority at least two business days prior to the effectiveness of said registration with the Securities and Exchange Commission to (i) any request by the issuer or application to any other state or regulatory authority for permission to withdraw any application to register the securities described herein; and (ii) a list of all states in which applications have been filed where the issuer or applicant has received notice from the state authority that the application does not comply with state requirements and cannot or does not intend to comply with such requirements.
  - (e) Furnish promptly all such additional information and documents in respect to the issuer or the securities covered by this application as may be requested by the above named state authority prior to registration of acceptance for filing.



Date \_\_\_\_\_

(CORPORATE SEAL)

\_\_\_\_\_  
Name of Applicant

By \_\_\_\_\_  
(Name and Title)

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } ss.

The undersigned, \_\_\_\_\_, being first duly sworn, deposes and says:

That he has executed the foregoing application for and on behalf of the applicant named herein, that he is \_\_\_\_\_ of such applicant and is fully authorized to execute and file such application; that he is familiar with such application; and that to the best of his knowledge, information and belief the statements made in such application are true and the documents submitted therewith are true copies of the originals thereof.

\_\_\_\_\_  
(Name)

Subscribed and sworn to before me, this \_\_\_\_\_  
day of \_\_\_\_\_, 19 \_\_\_\_\_,

(Notary Seal)

Notary Public

In and for the County of \_\_\_\_\_

State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**FOR AN ACKNOWLEDGMENT OF THE FILING OF THIS APPLICATION COMPLETE THE LEFT COLUMN BELOW.**

Name and address of correspondent  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

State of \_\_\_\_\_

File Number \_\_\_\_\_

Applicant  
\_\_\_\_\_

Date \_\_\_\_\_

Examiner \_\_\_\_\_

Issuer  
\_\_\_\_\_

Telephone \_\_\_\_\_



**15 CSR 30-52.020 Prospectus**

*PURPOSE: This rule prescribes the preparation and use of a disclosure document in the offer or sale of registered securities.*

(1) In order to effectuate a full disclosure of material facts affecting the sale of equity or debt securities for which an application for registration has been filed, it is required that a prospectus (or offering circular or document(s), if the commissioner consents to this use) which shall be designated as an exhibit to and constitute a part of the application for registration. Subject to the approval of the commissioner, a prospectus meeting the requirements of the Securities Act of 1933 may be utilized in lieu of the material prescribed in this rule.

(2) The prospectus may be printed, mimeographed, lithographed, typewritten or prepared by any similar process in clearly legible copies. If printed, it shall be set in Roman type of at least ten (10)-point modern type (except that financial statements and other statistical or tabular matter may be set in Roman type as small as eight (8) point). All type shall be leaded at least two (2) points.

(3) Any person who knowingly uses a prospectus containing false or misleading statements or information, or omitting material facts necessary for an accurate and complete presentation of matters affecting the securities being offered, shall be deemed to have violated the Act, and any sale of the securities made after that shall be presumed made on the basis of a false representation in a civil action for recovery of damages on account of loss sustained by way of the purchase of the securities.

(4) A copy of the prospectus shall be sent or given to each person to whom an offer is made before or concurrently with the first written offer made to him/her (otherwise than by means of a public advertisement) by or for the account of the issuer or any other person on whose behalf the offering is being made, or by any underwriter or broker-dealer who is offering part of an unsold allotment or subscription taken by him/her as a participant in the distribution; the confirmation of any sale made by or for the account of any such person; payment pursuant to any such sale; or delivery of the security pursuant to any such sale, whichever first occurs. If the prospectus relates to an issue of securities registered under the Securities Act of 1933, a copy of the prospectus shall be delivered not

later than the date required by the Securities and Exchange Commission (SEC).

(5) The prospectus shall be prepared in substantially the following form and contain the information as specified in this rule, together with any additional data the commissioner may require:



(A) Prospectus.

NAME OF ISSUER

Address

Type and Place of Organization

NUMBER OF SHARES OR UNITS

DESCRIPTION OF SECURITY

(par value, if any)

OFFERING PRICE

\$ \_\_\_\_\_

	Price to Public	Underwriting or Selling Commission	Net Proceeds to Issuer
PER SHARE OR UNIT :	\$ _____	\$ _____	\$ _____
AGGREGATE: :	\$ _____	\$ _____	\$* _____

\*Less expenses of the offering, estimated in the amount of \$ \_\_\_\_\_  
not to exceed \$ \_\_\_\_\_ to be paid by \_\_\_\_\_

THE COMMISSIONER OF SECURITIES OF THE STATE OF MISSOURI HAS NOT PASSED UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, THE SECURITIES HEREBY OFFERED, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS, ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NAME OF UNDERWRITER

Address

The date of this prospectus is:

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(B) Background of the Issuer. State the year in which the issuer was organized, its form or organization and the name of the state under the laws of which it was organized and a brief statement as to the type of business the company is engaged in;

(C) Speculative Features of the Offering. Set out in detail necessary for full explanation of the following:

1. Competition in this type of business, whether competitive companies are larger than your own and are well established;

2. How was the public offering price established?;

3. Has there been a public market for the shares?;

4. If the company is newly organized, without history or past business, so state;

5. Will any of the proceeds of the offering be placed in escrow until such time as a definite dollar amount of stock has been sold? If so, state the escrow arrangements. If the definite dollar figure is not reached, are the funds returned to the investor?;

6. If it is necessary for the company to raise a definite amount with which to start business, indicate that there can be no assurance of any return on the investment, even if sufficient funds are raised. Also indicate that any dividends are paid at the discretion of the board of directors; and

7. If the type of business in which you are engaged does not ordinarily earn profits from the outset, so state, and indicate at about what point of time profits would ordinarily commence;

(D) Use of Proceeds to Registrant. State the principal purpose for which the net proceeds received by the registrant from the sale of the securities being registered are intended to be used and show the approximate amount intended for each principal purpose;

(E) Plan of Distribution.

1. If the securities being registered are to be offered through underwriters, give the name of the principal underwriters and state the respective amounts underwritten. Identify each principal underwriter having a material relationship with the registrant and state the nature of the relationship. State briefly the nature of the underwriters' obligation to take the securities.

2. State briefly the discounts and commissions to be allowed or paid to dealers, including all cash, securities, contracts, options or other considerations to be received by any dealer in connection with the sale of the securities.

3. Outline briefly the plan of distribution for any securities being registered which are offered other than through underwriters;

(F) Sales Other Than for Cash. If any of the securities being registered are to be offered other than for cash, state briefly the general purposes of the distribution, the basis upon which the securities are to be offered, the amount of compensation and other expenses of distribution and by whom these expenses are to be borne;

(G) Capital Structure. Furnish the information called for by the following table, in substantially the tabular form indicated, as to each class of securities of the issuer and each class of securities, other than those owned by the issuer or its totally held subsidiaries, or all subsidiaries whose financial statements are filed with the application on either a consolidated or individual basis:

Class	Amount authorized* or to be authorized*	Amount Outstanding as of a specified date within six (6) months	Amount to be outstanding if all securities being registered are sold

\*Authorized is defined as meaning authorized by charter or indenture or in case of notes or similar securities, by resolution of the board of directors;

(H) Summary of Earnings. Furnish in comparative columnar form a summary of earnings for the issuer or the issuer and its subsidiaries consolidated (or both as appropriate) for each of the last five (5) fiscal years of the issuer; or for the life of the issuer and its immediate predecessors, if less; and for any period between the end of the latest of those fiscal years and the date of the latest balance sheet furnished and for the corresponding period of the preceding fiscal year. In connection with the summary, whenever necessary, reflect information or explanation of material significance to investors in appraising the results shown, or refer to the information or explanation of material significance to investors in appraising the results shown, or refer to the information or explanation set forth elsewhere in the prospectus;

(I) Description of Business. Briefly describe the business done and intended to be done by the issuer and its subsidiaries and the general development of the business during the past five (5) years, or shorter period as the issuer may have been engaged in business. The description shall include information as to the following matters such as:

1. Competitive conditions in the industry in which the issuer and its subsidiaries are engaged, or intend to engage, and the position of the enterprise in the industry, if reasonably available. If several products or services are involved, separate consideration

shall be given to the principal products or services or classes of products or services;

2. If a material part of the business is dependent upon a single customer or a few customers, the loss of any one (1) or more of whom would have a materially adverse effect on the business, the name and relationship, if any, of the customer to the issuer and material facts regarding their importance to the business;

3. The principal products produced and services rendered by the issuer, the principal markets for and methods of distribution of, those products and services, including any significant changes in the kinds of products produced or services rendered, or in the markets or methods of distribution, during the past three (3) fiscal years. If the business consists of the production or distribution of different kinds of products or the rendering of different kinds of services, indicate, as is practicable, the relative importance of each product or service or class of similar products or services which contributed fifteen percent (15%) or more to the gross volume of business done during the last fiscal year;

4. If information concerning backlog is material to an understanding of the business of the registrant, the dollar amount of backlog of orders believed to be firm, as of a recent date and as of a comparable date in the preceding fiscal year, together with an indication of the portion of backlog not reasonably expected to be filled within the current fiscal year and seasonal and other material aspects of the backlog;

5. The sources and availability of raw materials essential to the business;

6. The importance to the business and the duration and effect of all material, patents, trademarks, licenses, franchises and concessions held;

7. The following information relating to development of new products or new lines of business:

A. The estimated dollar amount spent during each of the last two (2) fiscal years on material research activities relating to the development of new products or services, indicating those activities which were company-sponsored and those which were customer-sponsored;

B. In addition to and not limiting the requirements of this item, if there has been a public announcement of, or if information otherwise has become public about, a new product or line of business requiring the investment of a material amount of total assets, a description of the status of the product or line;

C. Where material, state the approximate number of employees engaged full-time

in each of the activities described in subparagraph (5)(I)7.A. during each fiscal year and in subparagraph (5)(I)7.B. Note: Subparagraph (5)(I)7.B. requires a description of the status of product development in addition to the description of the business done and intended to be done required by this item. Subparagraph (5)(I)7.B. is not intended to require disclosure of otherwise nonpublic corporate information the disclosure of which would adversely affect the registrants' competitive position. Subparagraph (5)(I)7.A. requires disclosure of financial information relating to research and development activities. Subparagraph (5)(I)7.B. is intended to elicit additional specific information only where there has been a public announcement or where information has otherwise become public concerning a new product or line of business requiring the investment of a material amount of total assets;

8. The number of persons employed by the registrant; and

9. The extent to which the business of the registrant or a material portion of the business is or may be seasonal;

(J) Description of Property. State briefly the location and general character of the principal plants, mines and other materially important physical properties of the issuer and its subsidiaries. If any such property is not held in fee or is held subject to any major encumbrance, so state and briefly describe how held;

(K) Parents of Issuer. List all parents of the issuer showing the basis of control, and, as to each parent, the percentage of voting securities owned, or other basis of control by its immediate parent, if any;

(L) Principal Holders of Securities. Furnish the following information as of a specified date within thirty (30) days prior to the date of filing in substantially the tabular form indicated:

1. As to the voting securities of the issuer owned of record or beneficially by each person who owns of record, or is known by the issuer to own beneficially more than ten percent (10%) of any class of such securities. Show in column (3) whether the securities are owned by both of record and beneficially, of record only, or beneficially only and show in columns (4) and (5) the respective amounts and percentages owned in each manner.

(1)	(2)	(3)	(4)	(5)
Name and address	Title of class	Type of ownership	Amount owned	Percent of class

2. As to each class of equity securities of the issuer or any of its parents or sub-

sidiaries, other than directors' qualifying shares, beneficially owned, directly or indirectly, by all directors and officers of the issuer, as a group, without naming them.

Title of class	Amount beneficially owned	Percent of class
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(M) Directors and Executive Officers.

1. List the names of all directors and executive officers of the issuer and all persons intended by the issuer to become directors or executive officers. Indicate all positions and offices with the issuer held by each person named and the principal occupations during the past five (5) years of each executive officer and each person chosen to become an executive officer. State the terms of office of each and the period during which each has served as director or executive officer and briefly describe any arrangement or understanding between him/her and any other person under which s/he was selected as director or executive officer. State the nature of any family relationship between any director or executive officer and any other director or executive officer.

2. Describe any of the following events which occurred during the past ten (10) years and which are material to an evaluation of the ability and integrity of any director or executive officer of the registrant:

A. A petition under the Bankruptcy Act or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of, that person or any partnership in which s/he was a general partner at, or within two (2) years before, the time of the filing, or any corporation or business association of which s/he was an executive officer at or within two (2) years before the time of the filing;

B. That person was convicted in a criminal proceeding (excluding traffic violations and other minor offenses) or is the subject of a criminal proceeding which is presently pending;

C. That person was the subject of any order, judgment or decree of any court of competent jurisdiction permanently or temporarily enjoining him/her from acting as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee or dealer in securities, or as an affiliated person, director, or employee of any investment company, bank, savings and loan association or insurance company, or from engaging in or continuing any conduct or practice in connection with that activity or in connection with the purchase or sale of any security, or was the sub-

ject of any order of a federal or state authority barring or suspending, for more than sixty (60) days, the right of that person to be engaged in any such activity which order has not been reversed or suspended;

(N) Remuneration of Directors and Officers.

1. Furnish the following information in substantially the tabular form indicated as to all direct remuneration paid by the issuer and its subsidiaries during the issuer's last fiscal year and estimated to be paid during the current fiscal year to the following persons for services in all capacities:

A. Each director, and each of the three (3) highest paid officers of the issuer whose aggregate direct remuneration exceeded thirty thousand dollars (\$30,000), naming each such person; and

B. All directors and officers of the issuer as a group without naming them.

(A)	(B)	(C)	(D)
Name of individual or identity of group	Capacities in which remuneration was received	Paid during last fiscal year	To be paid during current fiscal year

2. Furnish the following information in substantially the tabular form indicated as to all pension or retirement benefits proposed to be paid under any existing plan in the event of retirement at normal retirement date, directly or indirectly, by the issuer or any of its subsidiaries to each director or officer named in answer to subparagraph (5)(R)1.A.

(A)	(B)	(C)
Name of individual	Amounts set aside or accrued during issuer's last fiscal year	Estimated annual benefits upon retirement

3. Describe briefly all remuneration payments (other than payments reported under paragraphs (5)(R)1. and 2.) proposed to be made in the future, directly or indirectly, by the issuer or any of its subsidiaries pursuant to any existing plan or arrangement to each director or officer named in answer to paragraph (5)(R)1. naming each such person, and all directors and officers of the issuer as a group without naming them;

(O) Escrow Provisions. If the officers, directors, promoters or controlling persons have stock which is subject to escrow pursuant to the Act or subject to escrow pursuant to any state or federal statute or regulation, make a complete disclosure of the number of shares, escrowed, name of persons escrowing

the stock, where escrowed and the terms and conditions of the escrow;

(P) Options to Purchase Securities. Furnish the following information as to options to purchase securities from the registrant or any of its subsidiaries, which are or are to be outstanding as of the date of filing:

1. Describe the options, stating the material provisions including the consideration received and to be received for such options by the grantor thereof and the market value of the securities called for on the granting date. If, however, the options are qualified stock options as defined in Section 422 of the Internal Revenue Code of 1954, only the following is required: a statement to that effect, a brief description of the terms and conditions of the options or of the plan, pursuant to which they were issued and a statement of the provisions of the plan or options with respect to the relationship between the option price and the market price of the securities at the date when the options were granted;

2. State the title and amount of the securities called for by the options, the purchase prices of the securities called for, the expiration dates of the options and the market value of the securities called for by the options as of the latest practicable date; and

3. Furnish separately the information called for by paragraph (5)(E)2. for all options held by each director or officer named in answer to paragraph (5)(R)1. naming each such person and all directors and officers as a group without naming them;

(Q) Interest of Management and Others in Certain Transactions. Describe briefly and where practicable state the approximate amount of any material interest, direct or indirect, of any of the following persons in any material transactions during the last three (3) years, or in any material proposed transactions, to which the registrant or any of its subsidiaries was, or is, to be a party:

1. Any director or officer of the registrant;

2. Any security holder named in answer to subsection (5)(S); and

3. Any associate of any of the previously mentioned persons;

(R) Dilution Aspects of the Offering. Provide in detail the number of shares acquired by officers, directors, promoters and controlling persons at prices less than the public offering price, the consideration paid for the stock and the book value of the stock prior to the offering, immediately after the offering, assuming all of the stock is sold and the benefit to the officers, directors, promoters and controlling persons in increased book value. Provide figures setting out the number of

shares owned by officers, directors, promoters and controlling persons, the consideration paid for the shares and the percentage of the total class of shares to be outstanding after the public offering that these shares represent. Set out the number of shares the public will own, the total consideration paid for the shares and the percentage of the total class of shares that the public will own;

(S) Capital Stock Being Registered. If capital stock is being registered, state the title of the class and furnish the following information:

1. Outline briefly dividend rights, voting rights, liquidation rights, preemptive rights, conversion rights, redemption provisions, sinking fund provisions, liability to further calls or to assessment by the registrant;

2. State and explain briefly, if the rights of holders of the stock may be modified otherwise than by a vote of majority or more of the shares outstanding, voting as a class; and

3. Outline briefly any restriction on the repurchase or redemption of shares by the registrant while there is any arrearage in the payment of dividends or sinking fund installments. If there is no restriction, so state;

(T) Long-Term Debt Being Registered. If long-term debt is being registered, outline briefly the following provisions as are relevant:

1. Provisions with respect to interest conversion, maturity, redemption, amortization, sinking fund or retirement;

2. Provisions with respect to the kind and priority of any lien, security for the issue, together with a brief identification of the principal properties subject to the lien;

3. Provisions restricting the declaration of dividends or requiring the maintenance of any ration of assets, the creation or maintenance of reserves or the maintenance of properties;

4. Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against the issuance, the incurring of additional debt, the release or substitution of assets securing the issue, the modification of the terms of the security and similar provisions;

5. The name of the trustee and the nature of any material relationship with the registrant or any of its affiliates, the percentage of securities of the class necessary to require the trustee to take action and what indemnification the trustee may require before proceeding to enforce the lien; and

6. The general type of event which constitutes a default and whether or not any periodic evidence is required to be furnished as to the absence of default or as to compliance with the terms of the indenture;

(U) Other Securities Being Registered. If securities other than capital stock or long-term debt are being registered, outline briefly the rights evidenced. If subscription warrants or rights are being registered, state the title and amount of securities called for, the period during which and the price at which the warrants or rights are exercisable;

(V) Pending Legal Proceedings. Briefly describe any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include similar information as to any such proceedings known to be contemplated by governmental authorities; and

(W) Financial Statements. All financial statements shall be certified unless expressly exempted by the commissioner.

*AUTHORITY: sections 409.101, 409.306(a)(2)(A) and 409.306(E)(i), and 409.413, 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 Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Aug. 11, 1978, effective Feb. 11, 1979.*

*\*Original authority: 409.101, RSMo (1967); 409.306(a)(2)(A) and (E)(i), RSMo (1967), amended 1977; and 409.413, RSMo (1967).*

### 15 CSR 30-52.030 Standards

*PURPOSE: This rule prescribes standards generally for the registration of securities.*

(1) Any application for the registration of securities which does not meet the policies prescribed in 15 CSR 30-52.030—15 CSR 30-52.220 may be subject to a finding that denial, suspension or revocation of registration is necessary or appropriate in the public interest or for the protection of investors and consistent with the policy and provisions of the Act (sections 409.306 and 409.413(a) and 409.413(b)). The policies prescribed in 15 CSR 30-52.030—15 CSR 30-52.220 are not exclusive of other grounds specified in section 409.306(a) of the Act for denying, suspending or revoking a registration.

*AUTHORITY: sections 409.306 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 Nov. 15, 1974, effective Nov. 25, 1974.

\*Original authority: 409.306, RSMo (1967), amended 1977; and 409.413, RSMo (1967).

### 15 CSR 30-52.040 Selling Expenses and Selling Security Holders

*PURPOSE: This rule sets forth standards of fairness for selling expenses and selling security holders.*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.*

Offerings of equity securities shall substantially comply, as determined by the commissioner by order otherwise, with the North American Securities Administrators Association, Inc. Statement of Policy Regarding Selling Expenses and Selling Security Holders as adopted September 14, 1989.

*AUTHORITY: sections 409.306 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 Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Aug. 11, 1978, effective Feb. 11, 1979. Rescinded and readopted: Filed Aug. 1, 1984, effective Nov. 11, 1984. Amended: Filed Oct. 15, 1987, effective Jan. 29, 1988. Rescinded and readopted: Filed Jan. 3, 1990, effective March 11, 1990.*

\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).

### 15 CSR 30-52.050 Offering Price

*PURPOSE: This rule facilitates the formation of capital consistent with protection of investors under the Missouri Uniform Securities Act.*

(1) The offering price of any security shall be fair and equitable to purchasers. With respect

to common stock, if the offering is made pursuant to a firm commitment underwriting by a broker-dealer that is not affiliated with the issuer by means of direct or indirect common control and where the offering price of the common stock is at least five dollars (\$5) per share, the offering price shall be presumed fair and equitable to purchasers.

(2) With respect to common stock of issuers not in the promotional or developmental stage, the offering of which does not meet the requirements of section (1) of this rule, the offering price may be deemed unfair or inequitable to purchasers unless it meets one (1) of the following requirements:

(A) The price for the stock does not exceed twenty-five (25) times the issuer's net earnings per share for the last fiscal year, does not exceed twenty-five (25) times its average annual net earnings per share for the last three (3) years prior to the proposed offering date, or does not exceed such other multiple of net earnings for such other period as the commissioner may determine;

(B) Information is filed with the commissioner showing there exists an adequate public market for the stock. A public market will be presumed adequate if—

1. The stock is traded on a national or regional stock exchange registered under the Securities Exchange Act of 1934; or

2. The stock is quoted on the National Association of Securities Dealers, Inc. Automated Quotation System; or

3. Each of the following criteria are met: 1) there were at least three hundred (300) holders of the stock at the beginning and end of the six (6)-month period preceding the date of the filing, 2) at least two hundred thousand (200,000) shares of the stock are publicly outstanding (exclusive of shares held by officers, directors and five percent (5%) shareholders), 3) at least two (2) broker-dealers regularly make a market in the stock, 4) at least one (1) financial publication regularly quotes the market price, and 5) trading of the stock in the six (6)-month period preceding the date of the filing averaged at least one hundred (100) transactions or at least five percent (5%) of the outstanding shares (not including shares held by officers, directors and five percent (5%) shareholders) per month; and

(C) If no adequate public market exists, information satisfactory to the commissioner is filed justifying the proposed offering price-earnings ratio in relation to price-earnings ratios of companies comparable to the issuer in terms of size, history of operations, industry and products, and other relevant factors. This information may be contained in an

underwriter's memorandum prepared in connection with the proposed offering.

(3) The offering price of common stock of issuers in the promotional or developmental stage shall be reasonable under all the facts and circumstances. Facts and circumstances to be considered shall include, but not be limited to, the following: the price paid for the stock by promoters or controlling persons of the issuer in transactions effected within two (2) years prior to the public offering, the value of the common stock, the market value of corporate assets and the sophistication of proposed purchasers.

(4) For purposes of this rule, an issuer in the promotional or developmental stage means a corporation which has no public market for its shares and has no significant earnings within the past five (5) years (or shorter period of its existence).

*AUTHORITY: sections 409.306 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 Nov. 15, 1974, effective Nov. 25, 1974. Rescinded and readopted: Filed Aug. 1, 1984, effective Nov. 11, 1984. Amended: Filed Jan. 3, 1990, effective March 11, 1990.*

\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413, RSMo (1967).

### 15 CSR 30-52.060 Options and Warrants

*PURPOSE: This rule prescribes standards for determining when the amounts and kinds of options and warrants are reasonable.*

(1) Options or warrants to purchase securities issued or sold to persons other than pro rata to all of the purchasers of the securities shall be reasonable in amount and kind (section 409.306(a)(2)(F), RSMo) and shall be justified by the applicant. The following policies shall be applicable in determining whether those options or warrants are reasonable and justified:

(A) Options in the nature of restricted or qualified stock options for incentive purposes shall be considered justified if reasonable in number and method of exercise;

(B) Options to nonexecutive management and other employees of the issuer that are part of an employee incentive plan, to third parties in conjunction with previous arms



length financing arrangements or to the public as part of a public offering are excluded from the fifteen percent (15%) restriction if these options are otherwise reasonable in amount and exercise price;

(C) Securities sold on a deferred payment plan or basis which denies the purchaser possession of the securities and any participation or profits from the securities may be created as an option to purchase subject to the policies of this rule;

(D) Options or warrants to underwriters shall be considered justified if all of the following conditions are met:

1. The options or warrants are issued to managing underwriters under a firm underwriting agreement, provided they are not transferable except in cases where the managing underwriter is a partnership and then only within the partnership, and in cases where the managing underwriter is a corporation and then only among the officers of the corporation who are also shareholders;

2. The number of shares covered by all options or warrants does not exceed fifteen percent (15%) of the shares to be outstanding upon completion of the offering, the percentage including options and warrants to employees, and the number of shares covered by options and warrants granted or to be granted to underwriters does not exceed fifteen percent (15%) of the securities proposed to be sold to the public in the offering under consideration;

3. The options or warrants do not exceed five (5) years in duration and are exercisable no sooner than one (1) year after issuance;

4. The initial exercise price of the options or warrants is at least equal to the public offering price plus a step-up of the public offering price of either seven percent (7%) each year they are outstanding, so that the exercise price throughout the second year is one hundred seven percent (107%), throughout the third year one hundred fourteen percent (114%), throughout the fourth year one hundred twenty-one percent (121%), throughout the fifth year one hundred twenty-eight percent (128%), or in the alternative, twenty percent (20%) at any time after one (1) year from the date of issuance; provided, that the selected alternative must be specified in the options or warrants when issued;

5. The options or warrants are issued by a relatively small company, which is in the promotional stage, or which, because of its size, lacks public ownership of its shares, or other facts and circumstances make it appear that the issuance of options is necessary to obtain competent investment banking services; provided, that the direct commissions

to the underwriters are lower than the usual and customary commissions in the absence of the options or warrants;

6. The prospectus used in connection with the offering fully discloses the terms and the reason for the issuance of the options or warrants; provided that if the reason relates to future advisory services to be performed by the underwriter without compensation in consideration for the issuance of the options or warrants, a statement to that effect is placed in the prospectus;

7. Where it is necessary to include the value of the options or warrants in the computation of underwriting commissions, the market value of the options or warrants, if any, shall be used. In cases where no market value exists, a presumed fair value of twenty percent (20%) of the public offering price of the shares to which the options or warrants pertain shall be used, unless evidence indicates that a contrary valuation exists; and

8. The same conditions shall be applied to options or warrants by selling shareholders, unless evidence indicates that the selling shareholders are so separated from the issuer and so lacking in control of the issuer as to require different treatment;

(E) Options and warrants shall not be issued to finders;

(F) Incentive options issued by an insurance company or by the parent of a majority-owned subsidiary to agents, employees or representatives of the insurance company, parent or majority-owned subsidiary, based on the amount of paid-for insurance business submitted to, approved and issued by the insurance company or majority-owned subsidiary, will be considered justified if all of the following conditions are met:

1. The number of shares represented by all options does not exceed fifteen percent (15%) of the securities to be outstanding at any given time;

2. The options do not exceed five (5) years in duration;

3. The option price is not less than the fair market value of the stock at the time the option is granted; provided, that in those cases where no market value exists, the last public offering price of the securities to which the options pertain may be used as the option price, unless evidence indicates that a contrary valuation exists;

4. No options can be exercised until receipt by the insurance company of two (2) full years premiums on the underlying insurance or until a death benefit is paid on the insurance, whichever occurs first;

5. The criteria for determining the number of shares for which the options may be exercised, that is, amount of paid-for insur-

ance, type of policy, total insurance in force at the date of grant of the options, is reasonably related to the incentive objectives of the option plan;

6. The option plan is approved by the stockholders of the corporation adopting the plan prior to its effectiveness;

7. The options must be granted within ten (10) years after the adoption of the option plan;

8. Any overriding options to district or regional managers or officers are reasonable in number and subject to the same conditions in this rule;

9. The options are not transferable except by will or the laws of descent and distribution;

10. The options can only be exercised if the agent or employee was in the continuous employ of the insurance company, or the parent of a majority-owned subsidiary from the date of the grant of the option until the date of exercise;

11. The option plan contains provisions as may be necessary to assure that the granting of the options, the exercise of the options and any sale of the shares pursuant to that exercise shall be in conformity with the Act and the corresponding rules; and

12. The prospectus filed in connection with any application for registration of securities of the corporation granting these options contains a full disclosure as to the terms and reasons for the issuance of the options;

(G) Options or warrants issued to financing institutions, other than the underwriter, in connection with financing arrangements made by the issuer shall be considered justified if all of the following conditions are met:

1. The options or warrants are issued contemporaneously with the issuance of the evidence of indebtedness of the loan;

2. The options or warrants expire not later than the final maturity date of the loan;

3. The options or warrants are issued as a result of bona fide negotiations between the issuer and parties not affiliated with the issuer;

4. The exercise price of the options or warrants is not less than the fair market value of the shares into which they are exercisable on the date the loan is approved; and

5. The number of shares issuable upon exercise of the options or warrants multiplied by the exercise price of the shares does not exceed the face amount of the loan;

(H) Options or warrants issued in connection with acquisitions, reorganizations, consolidations or mergers made by the issuer will be considered justified if all of the following conditions are met:

1. They are reasonable in number and method of exercise;

2. They are issued to parties not affiliated with the issuer prior to the acquisition, reorganization, consolidation or merger; and

3. The earnings per share of the issuer, after giving effect to the acquisition, reorganization, consolidation or merger, would not be materially diluted by the issuance of shares pursuant to the exercise of the options or warrants;

(I) The total amount of options and warrants issued or reserved for issuance at the date of the public offering shall be reasonable. The amount of options and warrants shall be presumed reasonable if the number of shares represented by these options or warrants, excluding options and warrants to financing institutions and options and warrants in connection with acquisitions (provided, the conditions of subsections (1)(G) and (H), respectively are met), does not exceed a number equal to fifteen percent (15%) of the number of shares to be outstanding upon completion of the offering or fifteen percent (15%) of the number of shares outstanding during the period the registration is in effect. The number of options and warrants reserved for issuance may be disregarded if the issuer files an undertaking or states in the prospectus that the amount of outstanding options and warrants shall not exceed the above limitation during the period the registration is in effect;

(J) All options and warrants other than those issued to financing institutions shall be issued at not less than eighty-five percent (85%) of fair market value on the date of issuance, or where no market exists, at not less than eighty-five percent (85%) of book value on the date of issuance; and

(K) This policy shall apply to applications for registration of equity securities or securities convertible into equity securities.

*AUTHORITY: sections 409.306 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 Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Aug. 1, 1984, effective Nov. 11, 1984. Amended: Filed June 2, 1986, effective Oct. 27, 1986. Amended: Filed Oct. 16, 1986, effective Feb. 12, 1987. Amended: Filed Oct. 15, 1987, effective Jan. 29, 1988.*

*\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413, RSMo (1967).*

### **15 CSR 30-52.070 Promotional Shares**

*PURPOSE: This rule prescribes standards concerning the sale of other securities, for other than cash or at a price different from the public offering price.*

Offerings of equity securities shall substantially comply, as determined by the commissioner by order or otherwise, with the North American Securities Administrator's Association, Inc. Statement of Policy Regarding Promotional Shares as adopted September 3, 1987.

*AUTHORITY: sections 409.306 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 Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Oct. 15, 1987, effective Jan. 29, 1988.*

*\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).*

### **15 CSR 30-52.080 Promoters' Investment**

*PURPOSE: This rule prescribes the required amounts of and procedures for ensuring promoters' investment participation.*

Offerings of equity securities shall substantially comply, as determined by the commissioner by order or otherwise, with the North American Securities Administrator's Association, Inc. Statement of Policy Regarding Promoters' Investment as adopted September 3, 1987.

*AUTHORITY: sections 409.306 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 Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Oct. 15, 1987, effective Jan. 29, 1988.*

*\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413, RSMo (1967).*

### **15 CSR 30-52.090 Escrow (Rescinded January 29, 1988)**

### **15 CSR 30-52.100 Impoundment**

*PURPOSE: This rule prescribes procedures for the impoundment of the proceeds from the sale of registered securities.*

(1) Proceeds from the sale of registered securities which are required to be impounded (section 409.305(f)(2), RSMo) shall ordinarily be impounded in accordance with the following provisions:

(A) An impoundment depository may be a bank or trust company or other person satisfactory to the commissioner;

(B) The impoundment shall be covered by agreement which shall be executed subject to the written approval of the commissioner, in substantially the format and in accordance with the terms as the commissioner may determine; and

(C) The form of impoundment agreement may be obtained from the commissioner upon request. A sample form follows 15 CSR 30-52.250.

*AUTHORITY: sections 409.305(f) 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 Nov. 15, 1974, effective Nov. 25, 1974.*

*\*Original authority: 409.305(f), RSMo (1967), amended 1977, 1978, 1980, 1986 and 409.413, RSMo (1967).*

### **15 CSR 30-52.110 Voting Rights**

*PURPOSE: This rule prescribes standards concerning unequal voting rights among classes of holders of equity securities.*

(1) Unless preferential treatment as to cumulative dividends and liquidation is provided with respect to the publicly offered securities or the differentiation is otherwise justified, the offering or proposed offering of equity securities of an issuer having more than one (1) class of equity securities authorized or outstanding shall not include a class of equity securities which has no voting rights, or has less than equal voting rights in proportion to the number of shares of each class outstanding and in proportion to the par value or fair value of each class outstanding on all matters including the election of members to the board of directors of the issuer.

(2) If a proposed offering involves authorized but unissued preferred stock, the offering



document shall include a statement that discloses that a subsequent issue of the preferred stock may adversely affect the rights of the common stockholders.

*AUTHORITY: sections 409.306 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 Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Oct. 16, 1986, effective Feb. 12, 1987.

\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413, RSMo (1967).

### 15 CSR 30-52.120 Preferred Stock and Debt Securities

*PURPOSE: This rule prescribes standards of fairness in connection with the registration of preferred stock and of debt securities.*

(1) In connection with the offering or proposed offering of preferred stock, the net earnings of the issuer, exclusive of nonrecurring items for—

(A) Its last year prior to the public offering; or

(B) The average of its last three (3) years prior to the public offering, or the substantiated future earnings capability of the issuer, shall be sufficient to cover the dividends on the securities proposed to be offered to the public.

(2) In connection with the offering or proposed offering of debt securities, including debentures, notes and bonds of an issuer, the cash flow of the issuer, exclusive of nonrecurring items and adjusted for the issuance of the debt securities, for—

(A) Its last year prior to the public offering; or

(B) The average of its last three (3) years prior to the public offering, or the substantiated future cash flow capability of the issuer, shall be sufficient to cover all debt service requirements including the interest on the securities proposed to be offered to the public.

(3) If the issuer has made any material acquisitions subsequent to the latest year for which actual figures are stated in the prospectus, the computation of earnings or cash flow for the purpose of this policy shall be made on a *pro forma* basis to include those acquisitions.

(4) Debt securities, unless otherwise permitted by the commissioner, shall be issued under a trust indenture providing for one (1) or more trustees, one (1) of which shall usually be a corporation and containing other provisions as the commissioner may require.

(5) The issuance of preferred stock or debt securities by an issuer in the promotional or developmental stage (see 15 CSR 30-52.080) will not be permitted unless justified by the applicant.

*AUTHORITY: sections 409.306 and 409.413(a), RSMo (1986).\** Original rule filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974.

Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).

### 15 CSR 30-52.130 Loans and Other Material-Affiliated Transactions

*PURPOSE: This rule sets forth standards of fairness for loans and material-affiliated transactions.*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.*

Offerings of equity securities shall substantially comply, as determined by the commissioner by order or otherwise, with the North American Securities Administrators Association, Inc. Statement of Policy Regarding Loans and Other Material-Affiliated Transactions as adopted September 14, 1989.

*AUTHORITY: sections 409.306 and 409.413(a), RSMo (1986).\** Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Rescinded and readopted: Filed Jan. 3, 1990, effective March 11, 1990.

Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).

### 15 CSR 30-52.140 Periodic Payment Plans

*PURPOSE: This rule prescribes registration requirements for periodic payment plans.*

(1) Periodic payment plan certificates, as defined in Section 2(a)(27), Investment Company Act of 1940, shall be registered with the Securities and Exchange Commission prior to or simultaneously with registration under the Act.

(2) Periodic Payment Plans shall substantially comply, as determined by the commissioner by order or otherwise, with the North American Securities Administrator's Association, Inc. Guidelines for Registration of Periodic Payment Plans.

*AUTHORITY: sections 409.306 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 Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed April 14, 1992, effective Jan. 15, 1993.

\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).

### 15 CSR 30-52.150 Real Estate Investment Trusts or Other Unincorporated Real Estate Trusts

*PURPOSE: This rule permits the adoption of the North American Securities Administrator's Association, Inc. Guidelines for the Registration of Real Estate Investment Trusts.*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.*

Real Estate Investment Trusts shall substantially comply, as determined by the commissioner by order or otherwise, with the North American Securities Administrator's Association, Inc. (NASAA) Guidelines for the Registration of Real Estate Investment Trusts. Other unincorporated real estate trusts shall

comply with the NASAA Real Estate Investment Trust Guidelines where applicable.

*AUTHORITY: sections 409.306 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 Nov. 15, 1974, effective Nov. 25, 1974. Rescinded and readopted: Filed Aug. 1, 1984, effective Nov. 11, 1984.*

*\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).*

**15 CSR 30-52.160 Redeemable Securities Issued by Open-End Management Companies**

*PURPOSE: This rule prescribes standards for the registration of redeemable securities issued by open-end management companies (mutual funds).*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.*

(1) An open-end management company (investment company) shall meet the following requirements:

(A) The fundamental investment objective(s) and management policies of the investment company shall not be materially changed unless authorized by a majority vote of the outstanding securities;

(B) The nonfundamental investment objective(s) and management policies of the investment company shall not be materially changed unless the shareholders of record have been given at least thirty (30) days prior written notice;

(C) In addition to the disclosure required by Form N-1A of the Investment Company Act of 1940 regarding the availability of the Statement of Additional Information (SAI), a telephone number to expedite requests for the SAI shall be disclosed on the cover of the prospectus;

(D) Management policies which affect five percent (5%) or more of the total assets of the investment company must be fully disclosed in the prospectus; and

(E) Management policies which expose the investment company to increased risks or costs shall be prominently disclosed in the prospectus or a prospectus supplement. These policies include, but are not limited to:

1. Borrowing money (leveraging) for investment in securities, excluding borrowing for temporary purposes;

2. High annual portfolio turnover, including purchasing securities for short-term trading;

3. Short selling of securities, excluding short selling against the box as defined in Guide 9, Form N-1A; and

4. Investments in low-rated debt securities, as rated by nationally recognized rating agencies.

(2) An investment company that invests substantially all of its assets in another investment company or similar organizational form shall substantially comply with the North American Securities Administrator's Association, Inc. (NASAA) *Guidelines for Registration of Master Fund/Feeder Funds* as adopted September 15, 1992.

(3) An investment company that utilizes periodic payment plans shall substantially comply with the NASAA *Guidelines for Registration of Periodic Payment Plans* as adopted September 29, 1993.

(4) An investment company that provides for telephonic purchases, redemptions or exchanges of securities shall substantially comply with the NASAA *Guideline for Telephone Transactions* as adopted September 29, 1993.

(5) In addition to the requirements of 15 CSR 30-52.010(12), the following post-effective exhibits shall be filed pursuant to 15 CSR 30-52.300:

(A) Filings pursuant to 17 CFR 230.485(a);

(B) Annual Reports; and

(C) Proxy statements concerning material changes to the investment objectives and management policies.

(6) The following post-effective exhibits are not required to be filed:

(A) Filings pursuant to 17 CFR 230.485(b); and

(B) Quarterly and semi-annual reports.

*AUTHORITY: sections 409.306 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 Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed Dec. 19, 1975, effective Dec. 31, 1975. Amended: Filed Aug. 1, 1984, effective Nov. 11, 1984. Amended: Filed Sept. 14, 1993, effective May 9, 1994.*

*\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).*

**15 CSR 30-52.170 Certificates of Interest or Participation in Oil or Mining Titles or Leases or in Payments Out of Production Thereunder**

(Rescinded February 11, 1979)

**15 CSR 30-52.180 Limited Partnerships**

*PURPOSE: This rule prescribes standards for the registration of certificates of interest or participations in limited partnerships.*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.*

(1) Certificates of interest or participations in limited partnerships shall conform to the following policies and the other policies and requirements as may be adopted or approved by the commissioner with respect to a specific security or transaction or types of plans or programs. The limited partnership agreement or other organizational instruments shall contain the policies and requirements, which also shall be disclosed fully in the prospectus of the offering:

(A) Minimum investments shall be required as follows:

1. The minimum investment of initial and subsequent investors in limited partnerships which have been determined by the commissioner to substantially comply with a North American Securities Administrator's Association, Inc. (NASAA) guideline or statement of policy as provided in subsections (1)(M)—(Q) of this rule shall be the minimum provided for in that guideline or statement of policy. The minimum investment in all other limited partnerships shall be five thousand dollars (\$5000), except that the minimum investment of an Individual Retiree-

ment Account/Keough plan shall be two thousand dollars (\$2000);

2. Reinvestments shall be made as follows:

A. Investments in subsequent partnerships of the same series in the same program year shall be made in minimum amounts of one thousand dollars (\$1000);

B. Investments of dividends from income revenues in the same program year shall be made in minimum amounts of fifty dollars (\$50); and

C. Reinvestments in continuous offerings in subsequent program years will be permitted where all offers are made by prospectus and where the investor annually signs a new agreement to reinvest; and

3. The minimum investment shall be payable within one (1) year unless a longer period is approved by the commissioner. If a longer period is approved, full disclosure shall be made of consequences to the investor upon failure to continue payments;

(B) The minimum suitability standards for purchasers of limited partnership interests shall be not less than a minimum annual income from whatever source of thirty thousand dollars (\$30,000) and a net worth at least equal to thirty thousand dollars (\$30,000), exclusive of home, furnishings and automobiles, or a net worth of seventy-five thousand dollars (\$75,000), exclusive of home, furnishings and automobiles;

(C) The life of the limited partnership shall be reasonable and fully disclosed;

(D) The duration of the offering period shall be specified;

(E) The proceeds of the sales shall be escrowed during the offering period. If the minimum total investment needed for the limited partnership reasonably to begin its program is not received during the offering period, the proceeds of the sales shall be repaid to the investors with *pro rata* interest, if any, from the escrowed funds;

(F) The total amount of consideration of all kinds which may be paid, directly or indirectly, to the sponsor or its affiliates shall be reasonable, considering all of the aspects of the program and the investors;

(G) The limited partnerships shall obtain a favorable tax ruling concerning the tax status of the partnership before commencing operations. An opinion of independent tax counsel may be accepted by the commissioner in lieu of a tax ruling. Any projection of earnings, tax write-offs and returns shall be reasonable and fully disclosed;

(H) The limited partners owning ten percent (10%) of the limited partnership capital shall have the right to propose for vote any amendment of the limited partnership agree-

ment, any dismissal of the general partner and the termination of the life of the partnership. A majority of the limited partnership interests shall be required to carry any such proposal;

(I) Any limited partner shall have the right to secure by written request to the general partner a list of the names, addresses and related interest holdings of all other limited partners;

(J) Any contract between the partnership and the general partner or affiliates of the general partner shall be subject to termination by majority vote or consent of the limited partners following sixty (60) days' prior notice of termination to the limited partners;

(K) The general partner shall not withdraw from the partnership without sixty (60) days' prior notice of withdrawal to the limited partners;

(L) A majority of the limited partnership interests shall approve any transfer of the general partner's interest;

(M) Real estate syndications in the form of limited partnerships or similar organizational forms shall substantially comply, as determined by the commissioner by order or otherwise, with the NASAA *Statement of Policy Regarding Real Estate Programs*, effective October 24, 1991;

(N) Oil and gas programs in the form of limited partnership interests or similar organizational forms shall substantially comply, as determined by the commissioner by order or otherwise, with the NASAA *Statement of Policy for the Registration of Oil and Gas Programs* as adopted October 24, 1991;

(O) Publicly-offered cattle-feeding programs in the form of limited partnerships or similar organizational forms shall substantially comply, as determined by the commissioner by order or otherwise, with the NASAA *Guidelines for Registration of Publicly-Offered Cattle-Feeding Programs* as adopted September 17, 1980;

(P) Commodity pools in the form of limited partnerships or similar organizational forms shall substantially comply, as determined by the commissioner by order or otherwise, with the NASAA *Statement of Policy for the Registration of Commodity Pool Programs* as adopted August 30, 1990;

(Q) Equipment programs in the form of limited partnerships or similar organizational forms shall substantially comply, as determined by the commissioner by order or otherwise, with the NASAA *Statement of Policy for Equipment Programs* as adopted November 20, 1986, amended October 24, 1991; and

(R) A partnership filing which is part of a series previously registered in Missouri shall

include an affidavit stating the substantive change from the prior partnership and that any changes required by the Missouri Securities Division in previous filings are included in this offering, a marked copy of the prospectus showing the changes from the previous filing and appropriate fees. This filing shall be reviewed only as to the substantive changes from previously registered offerings or items they were notified or after clearance.

*AUTHORITY: sections 409.306 and 409.413(a), RSMo (1986). \* Original rule filed July 21, 1972, effective Aug. 1, 1972. 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 Aug. 1, 1984, effective Nov. 11, 1984. Amended: 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 April 14, 1992, effective Jan. 15, 1993.*

*\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).*

### 15 CSR 30-52.190 Foreign Real Estate Securities

*PURPOSE: This rule prescribes standards for the registration of installment or deferred payment sale contracts covering land located outside Missouri.*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the rule has been filed with the secretary of state. The entire text of the rule may be found at the headquarters of the agency and is available to any interested person at a cost established by state law.*

(1) Each contract or bond for the sale of any interest in real estate on deferred payments or on installment plans when that real estate is not situated in Missouri is a security (section 409.401(1), RSMo, see also 15 CSR 30-52.010(15)) and therefore each must satisfy the policy and provisions of the Act, these rules and the orders of the commissioner.

(2) The application must include the information and documents specified in section 409.304(b) of the Act and, in addition, pursuant to section (17), the following:

(A) In the cases of land sales which are subject to the requirements of the federal Interstate Land Sales Full Disclosure Act, (15 U.S.C. 1718), a copy of the statement of record, a copy of the property report, a copy of any material filed with the appropriate state authorities charged with the responsibility of regulating the sale of lots in subdivisions and all amendments, insofar as these documents relate to the foreign real estate securities sought to be registered in Missouri, and, in addition, the information required in a property report, and an appropriate reference on the cover page of the prospectus to the availability of all records required by this subsection for examination by prospective purchasers;

(B) In the cases of land sales which are not subject to the requirements of the federal Interstate Land Sales Full Disclosure Act, a copy of any material filed with the appropriate state authorities charged with the responsibility of regulating the sale of lots in subdivisions and all amendments, as these documents relate to the foreign real estate securities sought to be registered in Missouri, a prospectus prepared in substantially the form and containing the information specified in 15 CSR 30-52.020 to the extent applicable and, in addition, the information which would be required in a federal property report and any information required by the state authorities and an appropriate reference on the cover page of the prospectus to the availability of all records required by this subsection for examination by prospective purchasers;

(C) The sales agreement shall specify that the property report required by the Interstate Land Sales Full Disclosure Act or the Missouri prospectus will be delivered to the purchaser in advance of his/her signing the agreement and shall become, in addition to any rider, a part of the agreement between the parties;

(D) The sales activities of each broker-dealer, agent, or both, registered under the Act to offer and sell foreign real estate securities shall be at all times consistent with the provisions of Missouri law governing the licensing of real estate agents and brokers (Chapter 339, RSMo); and

(E) Assurance of an authorized officer that the fees and expenses of any on-site inspection of the real estate, required by the commissioner, will be borne by the applicant and advanced upon request.

*AUTHORITY: sections 409.306 and 409.413(a), RSMo (1986). \* Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed Nov. 15,*

*1974, effective Nov. 25, 1974. Amended: Filed July 3, 1989, effective Sept. 28, 1989.*

*\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).*

**15 CSR 30-52.200 Contingent Civil Liability**

*PURPOSE: This rule prescribes the action normally required prior to the registration of securities, in the event contingent civil liability exists.*

An offer of refund (rescission) to each person having a cause of action against the applicant or the issuer, within the meaning of section 409.411 of the Act, as disclosed in the application or otherwise coming to the attention of the commissioner, normally shall be a prerequisite to the registration of securities. The offers may fall within the scope of section 409.415(b) of the Act. Suggested forms of offer of refund (rescission) is at 15 CSR 30-52.260 and 15 CSR 30-52.270.

*AUTHORITY: sections 409.411 and 409.413(a) RSMo (1986). \* Original rule filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974.*

*\*Original authority: 409.411, RSMo (1967), amended 1978, 1980 and 409.413(a), RSMo (1967).*

**15 CSR 30-52.210 Securities Issued by Closed-End Investment Companies**

*PURPOSE: This rule prescribes standards for the registration of securities issued by closed-end investment companies.*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.*

Securities issued by any closed-end investment company shall comply, as determined by the commissioner by order or otherwise, with the Central Securities Administrators Council's Statement of Policy on Closed-End

Investment Companies, adopted August 14, 1973 (1 CCH Blue Sky L. Rep., par. 4863).

*AUTHORITY: sections 409.306 and 409.413(a) RSMo (1986). \* Original rule filed Dec. 19, 1975, effective Dec. 31, 1975.*

*\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).*

**15 CSR 30-52.220 Cattle Feeding and Similar Programs**

(Rescinded February 11, 1979)

**15 CSR 30-52.230 Sample Form of Security Escrow Agreement**

*PURPOSE: This is an escrow agreement that can be used when the commissioner requires as a condition to registration that securities be placed in escrow.*

### Sample Form of Security Escrow Agreement

This SECURITY ESCROW AGREEMENT (“Agreement”) made and entered into this day of \_\_\_\_\_, 19\_\_\_\_, among the persons and parties who have signed this Agreement as security holders (herein collectively referred to as the “Security Holders”), \_\_\_\_\_ (the “Issuer”), \_\_\_\_\_ (the “Escrow Agent”), and (the “Administrator”).

#### WITNESSETH THAT

A. Each of the Security Holders is the owner of the number of shares of common stock of the Issuer or possesses conversion rights, warrants or options to acquire shares of the stock of the Issuer listed opposite his or her name on the Exhibit A attached hereto.

B. The Issuer has applied to the Administrator for registration of \_\_\_\_\_ shares of \_\_\_\_\_ stock (warrants) (options) (units) for sale to the residents of \_\_\_\_\_, and elsewhere. As a condition of registration, the Security Holders, the Escrow Agent, the Issuer and the Administrator agree to be bound by this Agreement and the applicable Rules and Regulations of the Administrator pertaining to such agreements.

C. Each of the Security Holders has deposited the securities listed opposite his or her name or documents evidencing the right to acquire the securities on Exhibit A with the Escrow Agent and the Escrow Agent hereby acknowledges receipt thereof. The securities are herein collectively referred to as “Escrowed Stock” or “Shares”.

NOW THEREFORE, the persons and parties hereto agree as follows:

1. DEPOSIT OF CERTIFICATES. Simultaneously with the execution of this Agreement, the Security Holder is depositing with the Escrow Agent and the Escrow Agent hereby acknowledges receipt of the certificates and documents listed on Exhibit A, representing, convertible into, or exercisable for \_\_\_\_\_ Shares of stock of the Issuer. At the written request of the Issuer, the Escrow Agent shall make available to the Issuer and any affected Security Holder, such documents as are necessary to exercise the foregoing rights.

2. TERM. The term of this Agreement and of the escrow provided herein shall commence on the date that the offering is declared effective by the Administrator. The certificates evidencing the securities are to be deposited with the Escrow Agent and are to be held pursuant hereto, for a period of nine (9) years, unless released earlier in accordance with the terms of this Agreement.

3. RELEASE OF SHARES. The Shares shall be released to the Security Holders as follows:

a. Twenty-five percent (25%) of each Security Holder’s Shares shall be released from escrow on the sixth, seventh, eighth and ninth anniversary dates; or,

b. One hundred percent (100%) of the Shares shall be released from escrow after the Issuer has had annual net earnings per share according to generally accepted accounting principles (“GAAP”) equal to, or greater than, five percent (5%) of the public offering price after taxes and excluding extraordinary items, for any two (2) consecutive fiscal years after the date of effectiveness; or,

c. One hundred percent (100%) of the Shares shall be released from escrow after the Issuer has had average annual net earnings per share according to GAAP, after taxes and excluding extraordinary items, equal to, or greater than, five percent (5%) of the public offering price, for any five (5) consecutive fiscal years after the date of effectiveness; or,

d. One hundred percent (100%) of the Shares shall be released from escrow after the Issuer’s Shares have traded in a reliable public market, e.g. either the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market System, at a price of at least one hundred seventy-five percent (175%) of the initial public offering price for at least ninety (90) consecutive trading days after at least one (1) year from the date of effectiveness.

4. DOCUMENTATION TO ESCROW AGENT REGARDING RELEASE OF SHARES. A request for termination of the escrow, based on the satisfaction of either paragraph 3.a., 3.b., 3.c. or 3.d., above, shall be forwarded to the Escrow Agent. A request for termination of the escrow based upon paragraph 3.b. or 3.c., shall be accompanied by an independent certified public accountant.

5. TERMINATED OR PARTIAL OFFERING. The foregoing notwithstanding, the Shares will be released by the Escrow Agent:

a. If the public offering has been terminated and no securities were sold pursuant thereto; or,

b. If a public best efforts minimum-maximum offering is terminated without sale of the minimum offering and all proceeds have been returned to investors in such offering.



6. **RESTRICTION ON TRANSFER.** The Escrowed Stock may be transferred by will, or pursuant to the laws of descent and distribution, or through appropriate legal proceedings, but in all cases the Shares shall remain in escrow and subject to the terms of this Agreement until released pursuant to paragraph 3., above. Upon the death of the holder of any Escrowed Stock, the Escrowed Stock of the deceased holder may be hypothecated, subject to all of the terms of this Agreement, to the extent necessary to pay the expenses of the estate. The Shares in escrow may be transferred by gift to family members, provided that the Shares shall remain subject to the terms of this Agreement. The Shares may not be pledged to secure a debt except as noted above.

7. **VOTING POWER.** The Escrowed Stock shall have all voting rights to which the non-escrowed shares are entitled.

8. **DIVIDENDS.** Any dividends paid on the Shares shall be paid to the Escrow Agent by checks of the Issuer made payable to the Escrow Agent with a notation of this Agreement thereon, and any such dividends shall be held pursuant to the terms of this Agreement. The Escrow Agent shall treat such dividends as assets of the Issuer, available for distribution under the terms of paragraph 9., below, except as provided herein. The Escrow Agent shall place the dividends in an interest bearing account. The dividends and the interest earned thereon will be disbursed in proportion to the number of Shares released from the escrow at the time the Shares are released pursuant to paragraph 3., above, or unless they are applied to the payment of the fees of the Escrow Agent under paragraph 13., below.

9. **STOCK DIVIDENDS OR SPLITS.** Stock dividends on, and shares resulting from stock splits of, the Escrowed Stock shall be delivered to the Escrow Agent and shall be held pursuant to this Agreement as if they were original shares of Escrowed Stock deposited hereunder. In the event of any stock dividend, stock split or recapitalization of the Issuer, the price per share figures herein shall be adjusted appropriately.

10. **ADDITIONAL SHARES.** Upon the exercise by any Security Holder of his or her conversion rights, warrants or options to acquire additional shares of the Issuer pursuant to the documents listed on Exhibit A, the additional shares received from the exercise of such warrants or options shall forthwith be deposited in escrow with the Escrow Agent and shall be subject to the terms and conditions of this Agreement.

11. **DISSOLUTION PREFERENCE.** The Security Holders agree that in the event of dissolution, liquidation, merger, consolidation, sale of assets, exchange or any transaction or proceeding that results in the distribution of the assets of the Issuer, the Security Holders hereby waive all their rights, titles and interests and participations in the assets of the Issuer until the holders of all non-escrowed shares have been paid, or have had irrevocably set aside for them an amount equal to one hundred percent (100%) of the public offering price per share, adjusted for stock splits and stock dividends. Subsequently, the Shares shall be entitled to receive an amount per share equal to one hundred percent (100%) paid to, or set aside for, the non-escrowed shares. Thereafter, the Security Holders shall participate on a pro rata basis with all shareholders. Mergers, consolidations or reorganizations may proceed on terms and conditions different than those stated above if a majority of shares held by persons, other than promoters and Security Holders, approve the terms and conditions by vote at a meeting held for such purpose.

12. **RELIANCE BY ESCROW AGENT.** The Escrow Agent may conclusively rely on, and shall be protected, when it acts in good faith upon, any statement, certificate, notice, request, consent, order or other document which it believes to be genuine and signed by the proper party. The Escrow Agent shall have no duty or liability to verify any such statement, certificate, notice, request, consent or order or other document which it believes to be genuine and signed by the proper party. The Escrow Agent shall have no duty or liability to verify any such statement, certificate, notice, request, consent, order or other document and its sole responsibility shall be to act only as expressly set forth in this Agreement. The Escrow Agent shall be under no obligation to institute or defend any action, suit or proceeding in connection with this Agreement unless it is indemnified to its satisfaction. The Escrow Agent may consult counsel with respect to any question arising under this Agreement and the Escrow Agent shall not be liable for any action taken, or omitted, in good faith upon advice of counsel. In performing any of its duties hereunder, the Escrow Agent shall not incur any liability to anyone for any damages, losses or expenses except for willful default or negligence, and it shall accordingly not incur any such liability with respect to: (i) any action taken or omitted in good faith upon advice of its counsel or counsel for the Issuer given with respect to any questions relating to the duties and responsibility of the Escrow Agent under this Agreement, or (ii) any action taken or omitted in reliance upon any instrument, including written advice provided for herein, not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and accuracy of any information contained therein, which the Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a proper person or persons, and to conform with the provisions of the Agreement. All Shares and funds held pursuant to this Agreement shall constitute trust property. The Escrow Agent shall not be liable for any interest on the Shares.

13. **COMPENSATION TO ESCROW AGENT.** The Escrow Agent shall be entitled to receive from the Issuer reasonable compensation for its services as set forth in Exhibit B attached hereto. In the event that the Escrow Agent renders any additional services not provided for herein, or if any controversy arises hereunder, or if the Escrow Agent is made a party to, or intervenes in any action, suit or proceeding pertaining to this Agreement, it shall be entitled to receive from the Security Holders, or at the option of the Escrow Agent, the Issuer, reasonable compensation for such additional services. Upon notice to the Security Holders, the Escrow Agent may deduct its compensation from any cash dividends or distributions held pursuant to paragraph 8., above.

14. **QUALIFICATION AND INDEPENDENCE OF ESCROW AGENT.** The Issuer hereby represents that a complete list of its officers, directors and promoters is attached hereto as Exhibit C. Based thereon, the Escrow Agent hereby represents and warrants that it is not affiliated with the Issuer, any officer, director or promoter of the Issuer or any Security Holder.



15. INDEMNIFICATION. The Issuer and the Security Holders agree to hold the Escrow Agent harmless from, and indemnify the Escrow Agent for, any and all costs of investigation or claims, costs, expenses, attorney fees or other liabilities or disbursements arising out of any administrative investigation or proceeding or any litigation, commenced or threatened, relating to this Agreement, including without limitation, the implementation of this Agreement, the distribution of stock or funds, the investment of funds, the interpretation of this Agreement or similar matters, provided that the Escrow Agent shall not be indemnified for any claims, costs, expenses or other liability arising from its bad faith or negligence or that of its employees, officers, directors or agents.

16. SCOPE. This agreement shall be binding upon, and inure to the benefit of, the parties hereto, their heirs, successors and assigns.

17. TERMINATION. Except for the indemnification provisions of paragraph 15., above, which shall survive in any event, this Agreement shall terminate in its entirety when all the Shares have been released as provided in paragraph 3., above.

IN WITNESS WHEREOF, the Security Holders, the Issuer, the Escrow Agent, and the Administrator have entered into this Agreement as of the date first above written, in multiple counterparts, each of which shall be considered an original.

SECURITY HOLDERS

X _____	X _____
X _____	X _____
X _____	X _____
X _____	X _____
X _____	X _____

ISSUER

ATTEST: \_\_\_\_\_

\_\_\_\_\_ By \_\_\_\_\_

Secretary President

ESCROW AGENT

\_\_\_\_\_

By \_\_\_\_\_

ADMINISTRATOR

Title: \_\_\_\_\_

State: \_\_\_\_\_



AUTHORITY: sections 409.306 and 409.413(a), RSMo (1986).\*

\*Original authority: 409.306, RSMo (1967), amended 1977 and 409.413(a), RSMo (1967).

15 CSR 30-52.240 Sample Form of Promoters' Stock Escrow Agreements

15 CSR 30-52.250 Impoundment of Proceeds

PURPOSE: This rule sets forth standards to be applied when the commissioner requires the impoundment of offering proceeds as a condition to registration.

Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive.

When impoundment of offering proceeds is required as a condition to registration, the impoundment shall substantially comply, as determined by the commissioner by order or otherwise, with the North American Securities Administrators Association, Inc. Statement of Policy Regarding the Impoundment of Proceeds as adopted September 14, 1989.

AUTHORITY: sections 409.305 and 409.413(a), RSMo (1986).\*

\*Original authority: 409.305, RSMo (1967), amended 1977, 1978, 1980, 1986 and 409.413(a), RSMo, (1967).

15 CSR 30-52.260 Suggested Form of Offer of Refund (Rescission)

PURPOSE: This rule simplifies the form of rescission offer so as to be more easily understood by investors.

Certified/Return Receipt Requested

Dear Investor:

This letter is to inform you of your rights under the Missouri Uniform Securities Act, Chapter 409, RSMo 1986 (the "Act").

The Act requires that any security offered or sold in Missouri either be registered with the Missouri Commissioner of Securities under the Act or be exempted from registration.

Section 409.411 of the Act provides that any person who sells a security without the security being registered is liable to the person buying the security from him/her for the amount of the consideration paid for the security together with interest of 8% per year from the date of purchase, costs and reasonable attorney fees, less the amount of any income received on the security.

This letter is to inform you of this right and to offer to rescind the purchase of the securities from this firm. Attached is a statement as to whether or not you wish to take advantage of this offer. Please fill out the attached form and return it to this office within 30 days.

(Name of Issuer) \_\_\_\_\_

(Signature) \_\_\_\_\_

(Name of Signatory) \_\_\_\_\_

I have been informed of my right to rescission under Missouri Uniform Securities Act by (name of firm offering rescission). I do/do not (circle one) wish to take advantage of this rescission offer.

Investor's Signature \_\_\_\_\_

AUTHORITY: sections 409.411 and 409.413(a), RSMo (1986).\*

\*Original authority: 409.411, RSMo (1967), amended 1978, 1980 and 409.413(a), RSMo (1967).

15 CSR 30-52.270 Suggested Form of Offer of Refund (Rescission)(B)

15 CSR 30-52.271 Missouri Issuer Registration

PURPOSE: This rule provides a simplified registration process for small offerings of securities.

(1) The commissioner, pursuant to the provisions of section 409.305(e), (f) and (g), RSMo of the Missouri Uniform Securities Act (the Act) provides for registration by qualification of the offer and sale of common stock, limited partnership interests and debt securities of issuers having, upon completion of the offering, their principal place of business and a majority of full-time employees located in this state; provided, all the conditions set forth in this rule are met.

(A) Common stock, limited partnership interests or debt securities, including small business participating debentures, with an aggregate offering price not in excess of one (1) million dollars in any twelve (12)-month period may be sold to persons who satisfy the conditions set forth in subparagraphs (1)(A)1.—5. The aggregate offering price limitation includes all securities sold by the issuer within the twelve (12) months before the offering and all securities sold during the offering, provided that securities sold pursuant to an exemption contained in section 409.402(b), RSMo are not included in the limitation:

1. A person with an annual gross income of at least thirty thousand dollars (\$30,000) and a net worth of at least thirty thousand dollars (\$30,000) exclusive of the person's home, home furnishings and automobiles;

2. A person with a net worth of at least seventy-five thousand dollars (\$75,000) exclusive of the person's home, home furnishings and automobiles;

3. A director, officer or holder of twenty-five percent (25%) or more of the securities of the issuer;



4. A person whose beneficial interest in the offering does not and will not exceed five hundred dollars (\$500); or

5. A retirement trust or plan of a person under section (1), (2) or (3).

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

(C) Neither the issuer nor any broker-dealer offering or selling the securities is or would be disqualified under 15 CSR 30-54.210(1)(A)1.

(D) An offering document meeting the disclosure requirements of 15 CSR 30-52.020, including a Form U-7, or other forms as the commissioner may approve (provided, that verified financial statements of the issuer may be substituted for audited financial statements for offerings of under five hundred thousand dollars (\$500,000)) shall be delivered to each purchaser and prospective purchaser prior to the sale of the securities or breaking of escrow as set forth in subsection (1)(G).

(E) The offering document shall provide that at least eighty percent (80%) of the net proceeds from the offering shall be used in connection with the operations of the issuer in this state.

(F) All advertising related to the offering shall be in the form set forth in 15 CSR 30-53.010(3).

(G) The issuer may solicit up to one hundred thousand dollars (\$100,000) without an offering document on the basis of a business plan disclosing the type of business, use of proceeds and risks associated with the offering. The money raised in this manner shall be placed in an escrow account at a financial institution located in this state and shall not be released from escrow until the financial institution has received written notification from the commissioner that a copy of an offering document meeting the requirements of subsection (1)(D) has been ordered effective by the commissioner.

1. All investors whose funds are held in escrow will be mailed copies of the offering document and must elect to maintain their investments or their investments will be refunded prior to the release of funds from escrow. The solicitation provided for by this subsection (1)(G) shall occur only after the filing of the business plan and escrow agreement (in compliance with 15 CSR 30-52.272; provided, that indemnification, liability and similar provisions may be as negotiated between the issuer and the escrow agent) with the commissioner.

2. Offers made under this subsection (1)(G) are exempt from the requirements of

sections 409.301 and 409.403 of the Act by the authority of the commissioner under section 409.402(c) of the Act.

3. The cover of the business plan shall contain the following legend: This offer is made pursuant to the Missouri Issuer Registration Rule (15 CSR 30-52.271 of the *Missouri Code of State Regulations*) which permits issuers to raise funds prior to the completion of an offering document by using a business plan as the means of disclosure. The rule provides that subscribers have a right to a refund of their investments plus a pro rata share of interest earned on the account, less escrow fees, upon receipt of the completed offering document, and at any time before the offering document is declared effective by the commissioner of securities. If subscribers do not indicate within thirty (30) days after the completed offering document is mailed to them that they elect to maintain their investments, they will be deemed to have requested refunds, and the amounts of their investments, plus a pro rata share of any interest earned on the account, minus a pro rata share of escrow fees and expenses, will be refunded to them.

(H) Any party may request a pre-filing conference or the commissioner may require one following the filing of the business plan.

(I) The issuer or applicant shall file with the commissioner—

1. A copy of the business plan and the escrow agreement ten (10) days prior to any solicitation of the sale of securities under subsection (1)(G);

2. The offering document to be used in connection with the offer and sale of the securities prior to any solicitation or prior to release of money from the escrow provided for in subsection (1)(G);

3. A filing fee of one hundred dollars (\$100) and a registration fee of one-twentieth (1/20) of one percent (1%) of the amount by which the minimum aggregate offering price of the securities to be offered in this state exceeds one hundred thousand dollars (\$100,000); and

4. A copy of any advertising, other than the offering document, to be used in connection with the offer and sale of securities not later than the date of its first use in this state and a copy of any material amendment to the offering document, not later than the date of its first use in this state.

(J) No offering made under this section may involve—

1. A certificate of interest or participation, including limited partnerships in an oil or gas, or mining title or lease; or

2. A blank check or blind pool offering.

(K) Other Requirements.

1. Selling expenses shall not exceed twenty percent (20%) of total offering proceeds; provided, that the total compensation paid to any underwriter shall not exceed fifteen percent (15%).

2. The issuer of debt offerings must demonstrate the ability to service its debt.

3. The offering shall meet the requirements of 15 CSR 30-52.110 Voting Rights.

4. The commissioner reserves the right to apply any provision of this chapter concerning registration of securities to offerings under this rule if the commissioner determines that this application is necessary for the protection of investors.

5. In addition to the offering document, the following documents may be required to be filed with the commissioner:

A. Form of selling agency agreement;

B. The issuer's articles of incorporation or limited partnership agreement or other charter documents and all amendments;

C. The issuer's bylaws, as amended to date;

D. Copy of any resolutions by directors setting forth terms and provisions of capital stock to be issued;

E. Any indenture, form of note or other contractual provision containing terms of notes or other debt, or of options, warrants or rights to be offered;

F. Specimen of security to be offered;

G. Consent to service of process accompanied by appropriate resolution;

H. Form of subscription agreement for the purchase of securities in this offering;

I. A signed or conformed copy of an opinion of counsel as to the legality of the security being registered, which shall state whether the security when sold will be legally issued, fully paid and nonassessable, and, if a debt security, a binding obligation of the issuer;

J. Schedule of residence street addresses of officers, directors and principal stockholders; and

K. Upon the earlier of the completion of the offering or one (1) year from the date the offering document is ordered effective by the commissioner, a list of the names and addresses of all Missouri investors in the offering.

(2) An offering document becomes effective under this rule when the commissioner so orders.

*AUTHORITY: section 409.413(a), RSMo (1986). \* Original rule filed April 14, 1992, effective Jan. 15, 1993.*

*\*Original authority 1967.*



**15 CSR 30-52.272 Suggested Form for Escrow Agreement for Missouri Issuer Registration**

*PURPOSE: This rule provides a form for the escrow of securities pursuant to 15 CSR 30-52.271 Missouri Issuer Registration.*

### Missouri Issuer Registration Escrow Agreement

STATE OF \_\_\_\_\_ )  
 )SS.  
 COUNTY OF \_\_\_\_\_ )

THIS AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between \_\_\_\_\_  
 \_\_\_\_\_, \_\_\_\_\_ and  
 \_\_\_\_\_ (Subscribers, as individuals);  
 and \_\_\_\_\_ (Issuer); \_\_\_\_\_ (Underwriter or Broker-Dealer);  
 and \_\_\_\_\_, a \_\_\_\_\_ (Escrow Agent),

WITNESSETH, That Whereas, application has been made to the Commissioner of Securities of the State of Missouri (hereinafter called "Commissioner") for registration of (securities) in the aggregate amount of \_\_\_\_\_ dollars (\$ \_\_\_\_\_); and WHEREAS, as a condition of permitting the offer and sale of said securities, the Commissioner has required pursuant to 15 CSR 30-52.271(1)(G) that the proceeds from the sale of said securities be placed into escrow under the terms and conditions hereinafter provided;

NOW, THEREFORE, the parties hereto, in consideration of their consideration of the purchase of said securities by the Subscribers thereto, do hereby covenant and agree as follows:

1. The proceeds from the sale of not more than the first one hundred thousand dollars (\$100,000) raised by an issuer in reliance on 15 CSR 30-52.271(1)(G) shall be, immediately upon payment by the Subscribers, delivered by the Issuer, Underwriter or Broker-Dealer to the Escrow Agent, or a combination of them, together with copies of each subscription agreement and a statement setting forth the name and addresses, taxpayer identification number or Social Security number, date, number of (securities) purchased and amount paid by each Subscriber (from whom any part of said money was received by the Issuer, the Underwriter, Broker-Dealer, or a combination of them, and their agents). Checks, drafts, money orders or other remittances not made payable to the Escrow Agent shall be endorsed appropriately and transmitted directly to the Escrow Agent.
2. The proceeds from the sale of said securities shall not become property or assets of the Issuer, nor subject to its debts or obligations, unless and until the Escrow Agent has received written notification from the Commissioner that a copy of an offering document of the Issuer meeting the requirements of 15 CSR 30-52.271(1)(D) has been ordered effective by the Commissioner, and until the Commissioner has authorized the Escrow Agent in writing to release and pay all funds in its possession or custody, subject to this Agreement, to the Issuer or for its account. No funds shall be released from escrow to the Issuer under this Agreement without the written authorization of the Commissioner.
3. After the Escrow Agent has received written notification from the Commissioner that the offering document has been ordered effective and before the Commissioner provides written authorization to the Escrow Agent to release funds from escrow to the Issuer, the Escrow Agent shall file with the Commissioner written notification that all Subscribers have been mailed the Offer of Refund form specified in 15 CSR 30-52.273. Within five (5) business days after receiving written notification from the Commissioner that the offering document has been ordered effective, the Escrow Agent shall send the Offer of Refund by registered or certified mail to each Subscriber. The Escrow Agent shall refund the amount of the Subscriber's investment plus a pro rata share of interest earned on the escrow account less a pro rata share of escrow fees to be paid to the Escrow Agent from the funds placed in escrow to each Subscriber who does not return the Offer of Refund form marked to indicate refusal of the offer to the Escrow Agent within thirty (30) calendar days after the offer is mailed. Any refund shall be sent by registered or certified mail to the Subscribers no later than five (5) business days after expiration of said (30)-day period.
4. Each subscriber, upon submission of a notarized request to the Escrow Agent, shall be entitled to the return of the amount of their investment plus a pro rata share of interest earned on the account less a pro rata share of escrow fees by registered or certified mail not later than five (5) business days after the receipt of the request by the Escrow Agent. This refund shall be available at any time during the effectiveness of the Escrow Agreement prior to receipt by the Escrow Agent of written notification from the Commissioner that the offering document has been ordered effective.
5. The Issuer shall send a copy of the offering document that has been ordered effective by the commissioner to each Subscriber by registered or certified mail not later than three (3) business days after receiving notification of effectiveness by the Commissioner in writing or otherwise.



- 6. The Escrow Agent at all times shall maintain a record of all subscriptions, sales and amounts furnished for escrow. All monies delivered to the Escrow Agent shall be deposited in a special trust account, and shall be invested by him/her in investments backed by the full faith and credit of the United States, Federal Deposit Insurance Corporation, or both, insured investments, money market funds, or both. These records and accounts shall be available at all times for inspection, examination and reproduction by the Commissioner, who shall be further authorized by the parties to this Agreement to examine and audit the special trust account.
- 7. Within ten (10) days after the end of each three (3)-month interval after the execution of this Agreement and during its effectiveness, the Issuer, the Underwriter, or both, shall file reports with the Commissioner containing the name and address of each Subscriber during that period, the amount of securities subscribed for by each Subscriber, the amount paid by each Subscriber, the amount refunded to each subscriber, and the cumulative total of funds derived from the offering subject to escrow under this Agreement.
- 8. If written notification that the offering document has been ordered effective by the Commissioner has not been provided to the Escrow Agent on or before six (6) months after the date of this Agreement, \_\_\_\_\_ 19. \_\_\_\_\_, or such later date as may be authorized in writing by the Commissioner, the Escrow Agent, upon written authorization of the Commissioner, shall return to each Subscriber the amount of their investment plus a pro rata share of interest earned on the account less a pro rata share of escrow fees. Funds returned to the Subscribers under any paragraph of this Agreement shall be paid directly to each, and not through the Issuer.
- 9. The Escrow Agent shall be entitled to rely on the written instructions of the Commissioner and the Subscribers and shall be fully protected and shall incur no liability when acting in reliance upon these instructions.
- 10. The Escrow Agent shall be entitled to receive such fees and expenses from the proceeds of the offering as are agreed to between the Issuer and the Escrow Agent.
- 11. The issuer covenants and agrees, at its expense, to pay and to indemnify and save the Escrow Agent and its respective members, directors, officers, employees and agents harmless from and against all loss, liability, cost, claim, damage or expense (including attorney's fees and expenses) arising out of the issuance of the securities and this Agreement, provided the loss, liability, cost, claim, damage or expense is not the direct result of the gross negligence or willful misconduct of the Escrow Agent.

IN WITNESS WHEREOF, the parties have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

Subscribers, as individuals:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

ATTEST: \_\_\_\_\_  
ISSUER

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Signature and Title

ATTEST: \_\_\_\_\_  
UNDERWRITER

By: \_\_\_\_\_  
Signature and Title

\_\_\_\_\_  
Secretary

ATTEST: \_\_\_\_\_  
ESCROW AGENT

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Signature and Title

*AUTHORITY:* section 409.413(a),  
RSMo (1986). \* Original rule filed April  
14, 1992, effective Jan. 15, 1993.

\*Original authority 1967.

**15 CSR 30-52.273 Suggested Form of  
Refund for Missouri Issuer Registration**

*PURPOSE:* This rule provides a form  
for the refund of securities placed in  
escrow pursuant to 15 CSR 30-52.271  
Missouri Issuer Registration.



Offer of Refund

Dear Subscriber:

This letter is to inform you of your rights under the Missouri Uniform Securities Act, Chapter 409, RSMo.

The Missouri Issuer Registration rule (15 CSR 30-52.271 of the Missouri Code of State Regulations) which permits issuers to raise funds prior to the completion of an offering document by using a business plan as the means of disclosure provides that Subscribers have a right to a refund of their investment plus a pro rata share of interest earned on the account less escrow fees upon receipt of the completed offering document. If you do not respond to this offer within thirty (30) days after the date it was mailed to you, you will be deemed to have requested a refund and the amount of your investment, plus a pro rata share of any interest earned on the account minus a pro rata share of escrow fees and expenses, will be refunded to you.

(Name of Issuer) \_\_\_\_\_

(Signature) \_\_\_\_\_

(Name of Signatory) \_\_\_\_\_

I have been informed of my right to a refund under the Missouri Uniform Securities Act. I do/do not (circle one) wish to take advantage of this refund offer.

Subscriber's Signature

A Form W-9 is enclosed. Please sign and return.

AUTHORITY: section 409.413(a), RSMo (1986). \* Original rule filed April 14, 1992, effective Jan. 15, 1993.

\*Original authority 1967.

**15 CSR 30-52.275 Small Company Registrations**

*PURPOSE: This rule facilitates capital formation consistent with the protection of investors.*

(1) The commissioner, pursuant to the provisions of section 409.305(e), (f) and (g), RSMo of the Missouri Uniform Securities Act provides for registration by qualification of the offer and sale of securities offerings that comply with the North American Securities Administrator's Association, Inc. (NASAA) Statement of Policy Regarding Small Company Registrations, adopted April 28, 1996, if an application for registration by qualification is also filed with the State of Kansas Office of the Securities Commissioner.

(A) The application for registration of securities under this rule shall contain the information and documents specified in Form U-1.

(B) The commissioner reserves the right to apply any provision of this chapter concerning registration of securities to offerings under this rule if the commissioner determines that the application is necessary for the protection of investors.

(2) An offering document becomes effective under this rule when the commissioner so orders.

*AUTHORITY: section 409.413(a), RSMo (1994). \* Original rule filed Nov. 1, 1996, effective June 30, 1997.*

*\*Original authority 1967.*

**15 CSR 30-52.280 Withdrawal or Termination**

*PURPOSE: This rule prescribes policies and procedures for withdrawing or terminating the registration of securities.*

(1) An order of withdrawal of an application (prior to effectiveness) may be issued by the commissioner upon the request of the applicant (section 409.305(h), RSMo).

(2) The abandonment or discontinuance of a proposed offering which is the subject of an application, without request for withdrawal or the dormancy of an application without amendment for a period of six (6) months or more after filing, may be considered to signify a request for withdrawal.

(3) In the event of an omission or non-compliance as to any requirement for registration,

the applicant shall be notified of the omission or noncompliance. Failure to comply with the requirement may be deemed ground for issuance of a stop order under section 409.306 of the Act.

*AUTHORITY: sections 409.305(h) 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.*

*\*Original authority: 409.305, RSMo (1967), amended 1977, 1978, 1980, 1986 and 409.413(a), RSMo (1967).*

**15 CSR 30-52.290 Effectiveness**

*PURPOSE: This rule prescribes policies and procedures in determining the effectiveness of the registration of securities.*

(1) The registration of securities, when effective as specified in section 409.302 or 409.303 of the Act, or when ordered under section 409.304 of the Act, is recorded in the register of securities qualified for sale pursuant to the provisions of the Act (section 409.414(b), RSMo). A certificate attesting to the registration will be furnished to the applicant.

(2) A proceeding is pending under section 409.306 of the Act, for the purpose of deferring effectiveness of registration by notification (section 409.302(c), RSMo) or of registration by coordination (section 409.303(c), RSMo), from the date of any order for proceeding issued by the commissioner.

*AUTHORITY: sections 409.302(c), 409.303(c), 409.304(c), 409.305(h) 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 Nov. 15, 1974, effective Nov. 25, 1974.*

*\*Original authority: 409.302(c) and 409.304(c), RSMo (1967); 409.405(h), RSMo (1967), amended 1977, 1978, 1980, 1986; and 409.413(a), RSMo (1967).*

**15 CSR 30-52.300 Amendments**

*PURPOSE: This rule prescribes policies and procedures for amending applications for registration and registrations of securities.*

(1) Prior to and during the period of effectiveness of registration (section 409.305(h), RSMo), the applicant-registrant promptly, and in no event later than fifteen (15) days following the specified occurrence, discovery or notice of the specified occurrence necessitating same, shall file with the commissioner a correcting amendment under the following circumstances and in substantially the form and content prescribed:

(A) Any statement, document or information contained in the application becomes inaccurate, incorrect or misleading, or changes in circumstances make addenda necessary for a full and fair disclosure of material facts affecting the issuer's business or the offering, including, but not limited to, the following:

1. Changes in management or control or transactions with management;
2. Changes in issuer's address or location;
3. Acquisition, revaluation or disposition of principal assets;
4. Legal proceedings, other than in the ordinary course of business;
5. Defaults upon senior securities;
6. Release of securities or funds from escrow or impoundment, or modification of escrow arrangements;
7. Issuance, purchase or exercise of options;
8. Increase or decrease in authorized securities;
9. Changes in security for registered securities;
10. Changes in the underwriting arrangements or plan of distribution;
11. Change in stock transfer agent;
12. Restatement of capital share account;
13. Changes in securities, amount offered, offering price, par value, stock dividends or splits, rights of shareholders or matters of vote by security holders; and
14. Material change in financial condition or financial statement;

(B) Upon request of the commissioner for additional date, information or verification of the amendment;

(C) Amendments shall be made by filing the appropriate application form (see 15 CSR 30-50.040) marked AMENDED. The amendment shall contain the information and be accompanied by the documents to which it



pertains. When a prospectus or a document is being amended, a revised copy or a copy of the existing prospectus or document, or pages from them, marked or red-lined or sticker amendment, reflecting the changes shall accompany the amendment. The amendment shall also

1. Refer to specific times in the application being amended and spell out clearly the indicated additions, changes or revisions;

2. List the exhibits or documents to which they relate and indicate whether the addenda are additions to, deletions of, substitutions for or changes in documents previously filed;

3. Indicate clearly deletions by striking through wording, substitution or addition by underlining new language, or capital letter insertion; and

4. Where amendments to prospectuses are presented in draft or proof form, three (3) definitive copies shall be submitted; and

(D) The registrant shall file a revised and updated prospectus which shall reflect current information and conditions of the issuer, and status of the offering, no later than the end of each thirteen (13)-month period from the commencement of a registered offering of securities (sixteen (16)-month period in the case of registration by coordination). All offers or sales of the registered securities shall cease at the end of the specified period unless or until the revised and updated prospectus has been filed.

*AUTHORITY: sections 409.305(g), (i) and (j) 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 Nov. 15, 1974, effective Nov. 25, 1974.*

*\*Original authority: 409.305(g), (i) and (j), RSMo (1967), amended 1977, 1978, 1980, 1986 and 409.413(a), RSMo (1967).*

**15 CSR 30-52.310 Completion**

*PURPOSE: This rule prescribes the notice to be furnished upon the completion of registered offerings of securities.*

(1) The registrant promptly shall notify the commissioner of—

(A) The date the offer and distribution of registered securities in Missouri is completed; and

(B) The number and amount of registered securities sold in Missouri.

*AUTHORITY: sections 409.305(g) and (i) 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 Nov. 15, 1974, effective Nov. 25, 1974.*

*\*Original authority: 409.305(g) and (i), RSMo (1967), amended 1977, 1978, 1980, 1986 and 409.413(a), RSMo (1967).*

**15 CSR 30-52.320 Reports**

*PURPOSE: This rule prescribes reports to be furnished during the effectiveness of registrations of securities.*

*The form mentioned in this rule follows 15 CSR 30-50.220.*

(1) During the period of effectiveness of registration (section 409.305(h), RSMo), in addition to the amendments required by 15 CSR 30-52.300, the registrant shall file reports with the commissioner (section 409.305(i), RSMo) as follows:

(A) Interstate Offerings. A report of condition (Form S-30) within thirty (30) days prior to the end of the one (1)-year period following registration and the fee prescribed by 15 CSR 30-50.030(2)(E);

(B) Intrastate Offerings. A report of condition (Form S-30) within thirty (30) days after the end of the six (6)-month period following registration and semiannually after that; and

(C) Foreign Real Estate Securities. A report of sales made in Missouri, including the name and address of the purchaser, description of real estate sold to each, date of sale, sale price and total of payments to date and the name and address of the person(s) who represented the issuer in effecting each sale, within thirty (30) days after the end of the one (1)-year period following registration and annually thereafter. All offers and sales of the registered foreign real estate securities shall cease at the end of the thirty (30)-day period unless or until the report has been filed.

*AUTHORITY: sections 409.305(g) and (i) 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 Nov. 25, 1974. Amended: Filed Oct. 15, 1987, effective Jan. 29, 1988.*

*\*Original authority: 409.305(g) and (i), RSMo (1967), amended 1977, 1978, 1980, 1986 and 409.413(a), RSMo (1967).*

**15 CSR 30-52.330 Records to be Preserved by Issuers in Issuer Distributions**

*PURPOSE: This rule prescribes the records to be preserved by issuers who effect sales of registered securities other than through broker-dealers.*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.*

(1) All issuers who effect sales of registered securities, other than through a broker-dealer, shall preserve the following records during the period of effectiveness of the registration (section 409.305(h), RSMo) and during the period of six (6) years following the expiration of the registration:

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

(B) A copy of all advertisements, together with a complete record of the dates, names and addresses of media carrying those advertisements;

(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, the name of each person(s) who represented the issuer in effecting each sale and the date each such person was registered to sell securities in Missouri.

*AUTHORITY: sections 409.305(g) and (i) 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 Nov. 15, 1974, effective Nov. 25, 1974.*

*\*Original authority: 409.305(g) and (i), RSMo (1967), amended 1977, 1978, 1980, 1986 and 409.413(a), RSMo (1967).*





### 15 CSR 30-52.340 Mortgage Revenue Bonds

*PURPOSE: This rule specifies the securities registration requirements created by sections 108.450–108.470, RSMo which require certain mortgage revenue bonds to comply with Chapter 409, RSMo. It details the information which issuers must submit and limits the method to registration by qualification. It also provides a new form as the registration instrument which will be considered by this office.*

(1) Mortgage revenue bonds issued pursuant to authority contained in sections 108.450–108.470, RSMo must be registered by qualification.

(A) The information listed for registration statements by qualification under section 409.304(b), RSMo is required, modified or omitted as follows for the purpose of registering mortgage revenue bonds authorized by sections 108.450–108.470, RSMo. (Note: The numbers without brackets listed in this rule correspond to the bracketed numbers in section 409.304(b), RSMo.):

1. The issuer's name, address and form and date of organization (Other items from this subsection should be omitted.);

2. With respect to every elected official performing legislative functions for the issuer, the chief executive officer of the issuer and the chief appointed fiscal officer of the issuer; his/her name, address and position; a description of any material interest held by any such person in any material transaction with the issuer or any of its agencies effected within the past three (3) years or proposed to be effected (Other items from this subsection should be omitted.);

3. (Information from this subsection should be omitted.);

4. (Information from this subsection should be omitted.);

5. (Information from this subsection should be omitted.);

6. (Information from this subsection should be omitted.);

7. (Information from this subsection should be omitted.);

8. The kind and amount of securities to be offered; the proposed offering price or the method by which it is to be computed; any variations therefrom at which any proportion of the offering is to be made to any person or class or persons other than underwriters, with a specification of any such person or class; the basis upon which the offering is to be made if otherwise than for cash; the estimated aggregate underwriting and selling dis-

counts or commissions and finder's fees (including, listed separately, cash, securities, contracts or anything else of value to accrue to the underwriters or finders in connection with the offering) or, if the selling discounts or commissions are variable, the basis for determining them and their maximum and minimum amounts; the estimated amounts of other selling expenses, including legal, engineering and accounting charges; the name and address of every underwriter and every recipient of a finder's fee; a copy of any underwriting or selling group agreement pursuant to which the distribution is to be made or the proposed form of any such agreement whose terms may not yet have been determined; and a description of the plan of distribution of any securities which are to be offered otherwise than through an underwriter;

9. The estimated cash proceeds to be received by the issuer from the offering; the purposes for which the proceeds are to be used by the issuer; the amounts to be used for each purpose; the order or priority in which the proceeds will be used for the purposes stated; the amounts of any funds to be raised from other sources to achieve the purposes stated; and the sources of any such funds (Other items from this subsection should be omitted.);

10. (Information from this subsection should be omitted.);

11. (Information from this subsection should be omitted.);

12. A copy of any preliminary official statement, prospectus, pamphlet, circular, form letter, advertisement or other sales literature intended as of the effective date to be used in connection with the offering;

13. A specimen or copy of the security being registered and a copy of any indenture or other instrument covering the security to be registered (Other items from this subsection should be omitted.);

14. A copy of the form of an opinion of counsel which will be executed upon delivery of the bonds to the underwriter or other purchaser and which opines as to the legality of the bonds being registered, whether the bonds when, if and as delivered, will be legally issued and whether the bonds will be binding obligations of the issuer (Other items from this subsection should be omitted.);

15. The written consent of any accountant, engineer, appraiser or other person whose profession gives authority to a statement made by him/her, if any such person is named as having prepared or certified a report or valuation (other than a public and official document or statement) which is used in connection with the registration statement;

16. (Information from this subsection should be omitted.); and

17. The following additional information:

A. A description of the trustee;

B. A description of the terms and conditions of any indenture covering the bonds (which may be included in the official statement);

C. A description of the mortgage pool insurance and any other insurance policies relating to the mortgage loans or loans to mortgage lenders;

D. A general description of terms and conditions of the purchase of, investment in, or assignment of mortgage loans from mortgage lenders or loans made to mortgage lenders, provisions for the security of the loans and provisions requiring the proceeds of the loans to be used by those mortgage lenders for the making of new mortgages for single family residential housing; provisions for securing new mortgages; and a general description of the terms and conditions of new mortgage loans including origination, service and administration of the new mortgage loans;

E. The plans covering the events of default and remedies;

F. A copy of the ordinance or court order authorizing issuance of the bond;

G. Statement indicating the provisions made by the political subdivision to secure the payment of the bonds including the creation of reserve and capitalized interest funds; action taken by the political subdivision with respect to the setting and collection of fees and charges deemed necessary to pay the debt service on the bonds; statement indicating whether there are provisions permitting or restricting the issuance of additional securities, the release or substitution of assets securing the issue, the modification of terms of the security; statement indicating the terms and conditions, if any, under which the holders, or any specified percentage of the holders, of the bonds or any coupons representing interest accrued on the bonds or coupons may, by civil action, compel the issuer to perform all duties imposed upon it by statute (that is, sections 108.450–108.470, RSMo) and to enforce the performance of any and all of the covenants made by the issuer with respect to the issuance of the bonds; and statement of the provisions relating to maturity, redemption, amortization, sinking fund or retirement;

H. Statement indicating whether there is litigation of any nature pending or threatened against the issuer, as of the date of the registration statement, to restrain or enjoin the issuance, sale, execution or delivery of

the bond or in any way contesting or affecting the validity of the bonds or the security of the bonds, or contesting the validity of any proceedings of the issuer taken with respect to the issuance or sale; and form of certificate to be signed at time of closing; and

I. Statement of factual assumptions that were made by the issuer that must occur to enable it to make full and timely payments of principal, or premiums, if any, and interest on the bonds, service fees, insurance premiums, trustee's fees and the paying agent's fees.

(2) An issuer must submit Form S-50, Application for Registration of Single Family Mortgage Revenue Bonds, which is hereby adopted and approved for filing with the division (see Form S-50).

*AUTHORITY: section 409.413, RSMo (1986). \* Emergency rule filed Aug. 8, 1980, effective Aug. 18, 1980, expired Dec. 26, 1980. Original rule filed Sept. 11, 1980, effective Dec. 11, 1980.*

*\*Original authority 1967.*

#### 15 CSR 30-52.350 Seasoned Issuer Registration by Filing

*PURPOSE: This rule adopts a policy that the securities of issuers whose financial condition meets certain minimum standards and whose equity securities meet standards designed to demonstrate the presence of a public market will be reviewed by the commissioner of securities for only full disclosure.*

(1) The commissioner, pursuant to the provisions of section 409.413 of the Missouri Uniform Securities Act (the Act), adopts a policy that an offering meeting the following requirements will not be reviewed under section 409.306(e) or (f), RSMo:

(A) The issuer shall be organized under the laws of the United States or a state or, if the issuer is not organized under the laws of the United States or a state, it shall have appointed an agent in the United States for service of process and shall have set forth the name and address of that agent in its prospectus;

(B) The issuer has actively engaged in business operations of the same nature that it is engaged in at the time of the offering for a period of at least thirty-six (36) consecutive calendar months immediately before the filing of the federal registration statement;

(C) The issuer has registered a class of equity securities under Section 12(b) or 12(g) of the Securities Exchange Act of 1934,

which class of securities is held of record by five hundred (500) or more persons;

(D) The issuer has—

1. a) A total net worth of four (4) million dollars; or b) a total net worth of two (2) million dollars and income before extraordinary items and income taxes for at least two (2) of the three (3) preceding fiscal years;

2. Not less than four hundred thousand (400,000) units of the class of security registered under Section 12 of the Securities Exchange Act of 1934 held by the public, excluding securities held by officers and directors of the issuer, underwriters and persons who beneficially own ten percent (10%) or more of that class of security; and

3. Outstanding warrants and options held by the underwriters and executive officers and directors of the issuer in an amount not exceeding ten percent (10%) of the total number of shares to be outstanding after completion of the offering of the securities being registered;

(E) The issuer has been subject to the requirements of Section 12 of the Securities Exchange Act of 1934 and has filed all the material required to be filed under Sections 13 and 14 of that Act for at least thirty-six (36) calendar months immediately before the filing of the federal registration statement and the issuer has filed in a timely manner all reports required to be filed during the twelve (12) calendar months immediately before the filing of the federal registration statement;

(F) For a period of at least thirty (30) days during the three (3) months preceding the offering of the securities registered, there have been at least four (4) market makers for the class of equity securities registered under Section 12 of the Securities Exchange Act of 1934;

(G) Each of the underwriters participating in the offering of the security and each broker-dealer who will offer the security in this state is a member of, or is subject to the rules of fair practice of, the National Association of Securities Dealers, Inc. with respect to the offering and the underwriters have contracted to purchase the securities offered in a principal capacity;

(H) The aggregate commissions or discounts to be received by the underwriters will not exceed ten percent (10%) of the aggregate price at which the securities being registered are offered to the public;

(I) Neither the issuer nor any of its subsidiaries, since the end of the last fiscal year preceding the filing of the registration statement, have

1. Failed to pay a dividend or sinking fund installment on preferred stock;

2. Defaulted on indebtedness for borrowed money; or

3. Defaulted on the rental on one (1) or more long-term leases; which defaults in the aggregate are material to the financial position of the issuer and its subsidiaries, taken as a whole; and

(J) In the case of an equity security, the price at which the security will be offered to the public is not less than five dollars (\$5) per share.

(2) A registration statement under this section must contain the following information and be accompanied by the following documents:

(A) A statement demonstrating eligibility for registration by filing;

(B) The name, address and form of organization of the issuer;

(C) With respect to a person on whose behalf a part of the offering is to be made in a non-issuer distribution; name and address; the amount of securities of the issuer held by the person as of the date of the filing of the registration statement and a statement of the reasons for making the offering;

(D) A description of the security being registered;

(E) The amount of securities to be offered in this state and the states in which a registration statement or similar document in connection with the offering has been or is to be filed and any adverse order, judgment or decree entered by the securities agency or administrator in any state or by a court or the Securities and Exchange Commission (SEC) in connection with the offering;

(F) A copy of the latest prospectus filed with the registration statement under and satisfying the requirements of Section 10 of the Securities Act of 1933; and

(G) The consent of service of process required by section 409.415(g), RSMo.

(3) If the information and documents required to be filed by section (2) have been on file with the commissioner for at least five (5) business days, or any shorter period as the commissioner, by rule or order, allows and the applicable registration fee has been paid before the effectiveness of the federal registration statement, a registration statement under this section automatically becomes effective concurrently with the effectiveness of the federal registration statement. If the federal registration statement becomes effective before the conditions in this section are satisfied and they are not waived, the registration statement becomes effective when the conditions are satisfied. The registrant shall promptly notify the commissioner by telephone or telegram of the date and time when

the federal registration statement became effective and the content of the price amendment, if any, and shall file promptly a post effective amendment containing the information and documents in the price amendment. The commissioner shall promptly acknowledge receipt of notification and effectiveness of the registration statement as of the date and time the registration statement became effective with the SEC.

*AUTHORITY: section 409.413, RSMo (1986).\* Original rule filed June 2, 1986, effective Oct. 27, 1986.*

*\*Original authority 1967.*