



Jana R. Vawter

Bill Analysis
Legislative Service Commission

H.B. 616
123rd General Assembly
(As Introduced)

Reps. Jacobson, Hollister, Trakas, Ford, Olman, Netzley, Mottley, Mettler

BILL SUMMARY

- Provides an exemption from registration of securities with the Division of Securities and other filing requirements under the Securities Law, if the securities are purchased by up to an additional 15 of the issuer's officers, managers, closely associated individuals, or closely associated entities and the sale meets other conditions.

CONTENT AND OPERATION

Exemption from registration and other filings under the Securities Law

(Sec. 1707.03(O))

Existing law provides several classes of exemptions from requirements in the Securities Law pertaining to registration of a security and notice filings with the Division of Securities and filing a notice of consent to service of process under the Securities Law. Under one of these classes, an exemption is provided for the sale of an equity security, if the sale (1) involves no more than ten purchasers in Ohio of any securities issued or sold by the security issuer pursuant to this exemption during a one-year period ending on the sale date, and (2) meets the following conditions: (a) the sale is made by the issuer of the security, (b) the sale complies with specified print and broadcast media advertising restrictions, (c) the issuer reasonably believes that the purchase is being made for investment, (d) limits are observed on fees paid relative to the initial offering price of the securities, and (e) any remuneration for sales in Ohio are paid only to registered dealers or salespersons.

The bill retains this ten-purchaser exemption and applicable conditions, but provides that up to an additional total of 15 of the issuer's officers, managers, closely associated individuals, or closely associated entities may purchase the securities issued or sold in reliance upon this exemption during a one-year period ending with the sale date. The sale also must comply with the conditions

described in (2) above. (Other law, unaffected by the bill but relevant to this exemption, defines "equity security" and who is considered a "single purchaser.")

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-21-00	p. 1700

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