

02 DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION

032 OFFICE OF SECURITIES

Chapter 525: RULE REGARDING SMALL COMPANY OFFERING REGISTRATIONS

SUMMARY: This chapter simplifies the registration process for small companies that wish to offer and sell their securities to the public.

Section 1. Definitions.

1. “Form U-7” means the Small Company Offering Registration Disclosure Document Form as revised and adopted by the North American Securities Administrators Association, Inc. on September 28, 1999.
2. “NASAA” means the North American Securities Administrators Association, Inc.
3. “Policy Statement” means the Statement of Policy Regarding Small Company Offering Registrations adopted by the North American Securities Administrators Association, Inc. on April 28, 1996.
4. “Regulation A” means SEC Regulation A, 17 CFR §230.251 *et seq.*, promulgated pursuant to the Securities Act of 1933, 15 U.S.C. §77a *et seq.*
5. “Rule 147” means SEC Rule 147, 17 CFR §230.147, promulgated pursuant to the Securities Act of 1933, 15 U.S.C. §77a *et seq.*
6. “Rule 504” means Rule 504 of SEC Regulation D, 17 CFR §230.504, promulgated pursuant to the Securities Act of 1933, 15 U.S.C. §77a *et seq.*
7. “Security” or “Securities” shall have the same meaning as is set forth in 32 M.R.S.A. §16102(28).

Section 2. Purpose.

The purpose of this rule is to facilitate public investment in small businesses. The rule accomplishes this purpose by (a) permitting the use of a simplified registration statement form for smaller offerings and (b) promoting uniformity with other jurisdictions that require the registration of securities.

The rule offers an alternative method of state registration for issuers of securities that are exempt from federal registration pursuant to Rule 147, Rule 504, or Regulation A. The rule is intended to reduce the costs and burdens of raising capital for small business without sacrificing investor protection. The rule is not intended to contain the exclusive method of registration by qualification under 32 M.R.S.A. §16304.

Section 3. Authority.

The Securities Administrator's authority to promulgate this rule is contained in 32 M.R.S.A. §§ 16304(6) and 16605.

Section 4. Eligibility to Register Securities Pursuant to This Rule.

Securities may only be registered pursuant to this rule if they meet the requirements set forth in the Policy Statement and are not disqualified by the Policy Statement, which is hereby incorporated by reference into this rule.

Section 5. Mechanics of Filing the Registration Statement.

For securities being registered pursuant to this rule, the Form U-7, which is hereby incorporated by reference into this rule, shall be used as the registration statement required under 32 M.R.S.A. §16304. The fees prescribed by 32 M.R.S.A. §16305(2) must accompany the Form U-7 filed with the Securities Administrator.

Section 6. Delivery of Offering Document.

When a security is registered pursuant to this rule, the information contained in the completed Form U-7 is the offering document information which must be delivered to each purchaser for purposes of complying with the requirements of 32 M.R.S.A. §16304(5).

Section 7. Location of Incorporated Matter.

Copies of the Policy Statement and Form U-7, incorporated by reference into this rule, are available at no charge on the NASAA web site:

1. Statement of Policy –

<http://www.nasaa.org/wp-content/uploads/2019/05/Amended-SCOR-Statement-of-Policy.pdf>

2. Form U-7 –

<http://www.nasaa.org/industry-/uniform-forms/>

STATUTORY AUTHORITY: 32 M.R.S.A. §§ 16304(6), 16305(7) and 16605

EFFECTIVE DATE:

June 10, 1991 - under 02-029, Bureau of Banking, Securities Division

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 7, 1996

AMENDED:

November 26, 2000

NON-SUBSTANTIVE CORRECTIONS:

December 22, 2000 - spelling corrected in Section 7

February 15, 2001 - added missing Policy Statement and form to this chapter

NON-SUBSTANTIVE CORRECTIONS:

October 22, 2001 - to reflect move to new Office of Securities, 02-032, mandated by P.L. 2001 c.182

AMENDED:

December 31, 2005 – filing 2005-517