

ALABAMA SECURITIES COMMISSION
ADMINISTRATIVE CODECHAPTER 830-X-4
REGISTRATION OF SECURITIES

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830-X-4-.01 Applications.

Applications for registration of securities by Coordination shall be submitted on Form U-1, the uniform Application to Register Securities. Applications for registration of securities by Qualification shall be submitted on Form 33 supplied by the Securities Commission. All information requested on the application is essential and must be furnished. An application which is not adequately and properly submitted will be returned for completion. Additional exhibits not called for in the application, but which are essential to a full representation of the facts, should be furnished and properly identified. All

exhibits filed become a part of the permanent records of this office.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.02 Filing Of Prospectus.

(1) An applicant for registration of securities must file a related prospectus containing significant information about the issuer and the offering so that the Commission may ascertain if the proposed offering meets the requirements of Title 8, Code of Ala. 1975. The prospectus must be in the hands of a prospective purchaser prior to the consummation of the sale of any securities thereof and every prospectus must carry the following information shown boldly on the outside cover:

"THESE SECURITIES ARE OFFERED PURSUANT TO AN ORDER OF REGISTRATION ISSUED BY THE ALABAMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY PROSPECTUS OR SELLING LITERATURE; ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE."

(2) Any prospectus which depicts the United States Securities and Exchange Commission's statement pursuant to a registration statement filed under the Securities Act of 1933 or a letter of notification under Regulation A or a schedule under Regulation B of the General Rules and Regulations of the Securities Act of 1933 will be considered in conformance with the above requirement.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.03 Content And Form Of Prospectus.

(1) The prospectus must contain information to provide full disclosure of financial and other information about the company and/or its securities which would enable a prudent individual to make an informed and realistic evaluation of the worth of the company and/or of the securities offered.

(2) Exhibit Form 1 to the Commission Application Form RQ provides the type of information that must be contained in a prospectus of a General Issue. For other types of issues, such as, but not limited to, Real Estate Programs and Oil and Gas Programs, form and guidelines as to disclosure provided by the Securities and

Exchange Commission and the North American Securities Administrators Association, or its successor, will be acceptable to the Commission.

(3) The information required in a prospectus shall not be set forth in such fashion as to obscure any of the required information or any information necessary to keep the required information from being incomplete or misleading.

(4) All information contained in a prospectus shall be set forth under appropriate captions or headings reasonably indicative of the principal subject matter set forth thereunder. Except as to financial statements and other tabular data, all information set forth in a prospectus shall be divided into reasonably short paragraphs or sections.

(5) Every prospectus shall include a reasonably detailed table of contents showing the subject matter of the various sections or subdivisions of the prospectus and the page number on which each such section or subdivision begins.

(6) Except as to financial statements and information required in tabular form, the information set forth in a prospectus may be expressed in condensed or summarized form.

(7) Illustrations and comparative graphs to make comparisons with other companies or that incorporate projected data concerning any subject matter may not be used in a prospectus to be filed with any application for registration of securities unless the same are necessary to a full disclosure of material facts to enable an investor to make an informed judgement of the offering.

(8) Graphs or charts used in addition to the textual description to illustrate the dilution of the investors's equity, the difference of the public offering price and price paid by promoters and insiders, the percentage of equity purchased by the public investor and the percentage purchased by the insiders and/or the use of the proceeds from the offering will be acceptable to the Commission.

(9) Photographic reproductions of principal properties or important products in prospectuses are permissible where they do not create a misleading impression.

(10) Accurate maps or surveys, established corporation symbols or trademarks are permissible where they do not create a misleading impression.

(11) The prospectus may be printed, mimeographed, lithographed, or typewritten or prepared by any similar process which will result in clearly legible copies. If printed, it shall be set in Roman type at least as large as ten-point modern type, except that financial statement and other statistical or tabular matter may be

set in Roman type at least as large as eight-point modern type. All type shall be leaded at least two points.

(12) When an offering of securities is being made in this state under an order of registration and the offering is also being made pursuant to a registration statement effective with the Securities and Exchange Commission or a Regulation A exemption under the provisions of the Securities Act of 1933, the prospectus submitted with the registration statement or the offering circular submitted with the Regulation A Notification to the appropriate SEC office may be used in this state instead of the prospectus required by the Securities Commission's rules.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983. **Amended:** Filed September 28, 1990.

830-X-4-.04 Termination Date Of Prospectus.

(1) In the event that an offering of securities is not completed within nine (9) months from the effective date of registration, a revised prospectus shall be prepared and filed for approval by the Commission not later than thirty (30) days prior to the expiration date of the prospectus then in use. The revised prospectus shall provide supplemental information as may be deemed necessary by the Commission in order that investors may exercise an informed judgment in determining whether or not to purchase such securities. Such information shall include updated financial statements.

(2) No prospectus shall be used after the material contained therein becomes materially inaccurate or misleading. In such event, sales shall be discontinued and a revised prospectus shall be prepared and filed for approval by the Securities Commission.

(3) This rule shall not apply to offerings by open-end investment companies or offerings subject to the provisions of the Securities Act of 1933 and General Rules and Regulations thereunder as amended.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.05 Circulation Of Preliminary Prospectuses.

Preliminary prospectuses may be distributed in Alabama by a registered Alabama dealer or by an issuer provided that an

application to register the securities offered is pending before the Commission, and provided:

(a) An application to register the securities is also pending before the Securities and Exchange Commission.

(b) The applicant has not been notified of proceedings under Section 8(b) or 8(d) of the Securities Act of 1933 or by this Commission that the application for registration is substantially deficient and the circulation of a preliminary prospectus is not appropriate in light of the deficient application.

(c) The outside front cover page of the prospectus shall bear, in red ink, the caption, "Preliminary Prospectus," the date of its issuance, and the following statement printed in type as large as that generally in the body thereof:

"A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, BUT HAS NOT YET BECOME EFFECTIVE. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE."

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.06 Financial Statements.

(1) All financial statements required by these rules or any official form of the Commission shall be prepared in accordance with generally accepted accounting principles. All such financial statements should normally be on a consolidated basis with respect to a parent corporation or corporations in which it owns directly or indirectly more than 50% of the outstanding voting securities, but exceptions to this requirement may be made for good cause in particular cases. Any financial statements prepared in accordance with the rules and requirements of the Securities and Exchange Commission and satisfying the requirements of that Commission, shall be deemed to satisfy the requirements of this rule. The financial statements, including financial statements in an offering under Regulation A of the Securities Act of 1933, shall be audited by independent certified public accountants or

independent public accountants, as set forth in the following paragraphs.

(2) The registrant shall file a balance sheet as of a date within 90 days prior to the date of filing the registration statement. This balance sheet need not be certified; however, if this balance sheet is not certified, there shall be filed, in addition, a certified balance sheet as of the registrant's last fiscal year, unless such last fiscal year ended within 90 days of the date of filing, in which case there shall be filed a certified balance sheet as of the end of the registrant's next preceding fiscal year. Companies in the development stage, including those which have not begun operations, shall file an audited balance sheet notwithstanding the date of filing of the registration statement.

(3) The registrant shall file statements of profit and loss, changes in financial position, and changes in the capital accounts for each of the last two fiscal years preceding the date of the latest balance sheet filed (or, if the issuer has been in business for less than two years, then for such time as the issuer has been in business) and for the period, if any between the close of the latest of such fiscal years and the date of the latest balance sheet filed. These statements shall be certified up to the date of the latest certified balance sheet filed; the statements for the interim period need not be certified. Companies in the development stage, including those which have not begun operations, may file an audited statement of cash receipts and disbursements in lieu of the statements of profit and loss and changes in financial position.

(4) If any of the proceeds of the securities herein offered for registration are to be used directly or indirectly for the purchase of any business or portion thereof, financial statements of such business or portion thereof are required to be filed the same as if such business were the registrant.

(5) While the foregoing is established as general guidelines for the submission of financial statements, the Commission may also require the filing of additional statements and/or schedules or if consistent with the protection of the investors may waive or modify portions of the above requirements.

(6) Financial statements required to be audited shall be accompanied by the report of the independent certified public accountant or independent public accountant, one copy of which filed with the Commission shall be manually signed by such accountant.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.07 Promoters Equity Investment Ratio.

(1) In offerings where the issuer is the promotional or developmental stage, the promoters, insiders, officers, directors and organizers shall participate to the minimum extent of fifteen percent (15%) of the total amount of capital and contributed surplus represented by equity securities being offered to the public. The promoters' equity securities shall be paid for in cash or with tangible assets reasonably valued. In determining the reasonable value of tangible assets contributed, the Commission may take into consideration any values as determined by one or more independent appraisals or otherwise.

(a) An issuer which is in the "promotional and developmental stage" shall mean an issuer which has no significant record of operations or earnings prior to the proposed offering date or the offering of whose securities cannot be justified on the basis of such record.

(b) The promoters shall pay for such securities in the minimum ratio of 1 for 2; for example, common stock proposed to be offered to the investing public at \$5.00 per share may not be purchased by a promoter or insider at less than \$2.50 per share.

(2) In all limited partnership offerings, the following will be acceptable in lieu of a 15% ratio of equity investment:

(a) In order that a general partner(s) be sufficiently capitalized to indicate the ability to perform the commitments which are made in regard to such programs, the net worth of the general partner(s) must be equal to 15% of the aggregate amount of limited partnership interests to be sold with a maximum net worth requirement of \$250,000. The net worth of a general partner(s) shall be revealed by a balance sheet prepared in accordance with generally accepted accounting principles.

(b) The general partner(s) shall make a direct investment, net of commissions, in the limited partnership(s) equal to 5% of the aggregate amount of limited partnership interests to be sold with a maximum participation requirement of \$100,000. The required participation may be reduced by 10% of the general partner(s) net worth in excess of the amount required by (1) above.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.08 Dilution.

Equity shares sold to the public shall not have a greater dilution than sixty percent (60%). To determine the book value of all shares outstanding upon completion of the offering add the net proceeds of the public offering (the amount remaining after deduction commissions and expenses of the offering) to the net tangible book value of the company before the offering and divide this resulting dollar amount by the total number of shares to be outstanding upon completion of the offering. All prospectuses and offering circulars must contain a paragraph headed DILUTION showing the method used in arriving at the book value of all shares outstanding upon completion of the public offering and the increase in value of the insiders' shares.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983. **Amended:** Filed September 28, 1990. **Amended:** Filed January 25, 1996; effective February 29, 1996.

830-X-4-.09 Expense Limitation.

(1) The total expenses of an offering of securities shall not in the aggregate exceed 20% of the gross proceeds of the offering.

(2) The expenses for marketing the securities paid by the issuer shall not exceed 15% of the gross proceeds of the offering.

(3) Total expenses shall include: underwriting discounts and commissions, value of options or warrants granted underwriters, finders' fees, printing and engraving, advertising, registration and filing fees, legal fees and expenses, accounting fees and expenses and all other expenses directly or indirectly incurred in connection with the sale of securities.

(4) Marketing expenses shall include: underwriting discounts and commissions, value of options or warrants granted underwriters, finders' fees, underwriters' expense allowances and all other expenses directly or indirectly incurred in connection with the marketing of securities.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.10 Preferred Stock Or Debt Securities.

(1) Issuers in a promotional or development phase will not normally qualify to issue preferred stock or debt securities.

(2) An issuer of preferred stock should have earnings after provision for federal income taxes determined in accordance with generally accepted accounting principles for the last fiscal year, excluding extraordinary items, sufficient to pay the dividends on the securities to be offered to the public and there shall be no indication that during the current fiscal year earnings, excluding extraordinary items, will not be less than the required amount to pay dividends on the securities to be offered to the public.

(3) An issuer of debt securities should have earnings before provision for federal income taxes determined in accordance with generally accepted accounting principles for the last fiscal year, excluding extraordinary items, sufficient to pay the interest on the securities to be offered to the public and there shall be no indication that during the current fiscal year earnings, excluding extraordinary items, will not be less than the required amount to pay interest on the securities to be offered to the public.

(4) All debt securities must be issued under a trust indenture with a bank acting as trustee. The trust indenture must comply with the provisions of the Trust Indenture Act of 1939, whether or not the indenture is required to be qualified under the Act. The indenture must contain a provision for a sinking fund sufficient to retire approximately 75% of the debt prior to maturity unless the debt is to mature serially or the debt has a short-term maturity (5 years or less).

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.11 Escrow Of Proceeds.

(1) As a condition to registration, where the offering is on a "best efforts" basis, the success of the venture is dependent on the proceeds of the offering or the issuer is in a promotional or developmental phase, the Commission may require that all or part of the proceeds from the sale of securities be escrowed until the issuer deposits a specified minimum amount from the sale of such securities within a specified period of time to accomplish the purposes of the offering and/or until certain stipulated requirements are met. The escrow agreement shall be in the form suitable to the Commission.

(2) The escrow agent shall be a commercial bank or trust company. Checks, drafts and money orders for the purchase of securities shall be made payable to the escrow agent. If a broker/dealer is acting as underwriter or selling agent for the issuer, payments may be made to such broker/dealer who shall promptly make remittance to the escrow agent.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.12 Escrow Of Securities.

(1) In circumstances where there is a substantial disparity between the proposed public offering price of securities and the consideration paid by promoters or insiders for such securities or if securities have been issued or are intended to be issued for any patent right, copyright, trademark, process, formula, goodwill, promotion fees or expenses, going concern value of other intangible assets, the Commission may require as a condition to the registration of securities an escrow of all or part of the securities issued to promoters or insiders.

(2) The escrow agreement shall be in a form suitable to the Commission and shall provide that the owners of such securities shall not be entitled to sell or transfer the securities or withdraw the securities from escrow until:

(a) The company has each year for two consecutive fiscal years net earnings after payment of federal income taxes equal to 5 percent (5%) of the initial public offering price times the average number of shares of the company's common stock outstanding in each respective year, or

(b) All shareholders shall have been paid a dividend or dividends aggregating not less than 6% of the initial offering price shown to the satisfaction of the Commission to have been actually earned on the investment.

(3) In the event of a voluntary or involuntary dissolution, the owners of such escrowed securities shall not participate in the assets until the owners of all other securities have been paid in full.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.13 Capital Structure Of Unseasoned Corporations.

Classes of Stock--No issuer in the formative stages or without operating profits shall register or have outstanding any class, type or kind of security except one (1) class of common stock.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.14 Options Or Warrants Granted Underwriters.

(1) The Commission will not allow the granting of options or warrants to underwriters unless the following criteria is met:

(a) They are issued to the underwriters under a firm underwriting agreement and are not assignable or transferable for a period of one year from date of issuance except to (1) partners of the underwriters when the underwriter is a partnership, and (2) officers or directors of the underwriters when the underwriter is a corporation.

(b) The number of shares covered by the warrants or options do not exceed ten percent of the shares being offered to the public in the offering under consideration.

(c) The initial exercise price of the options is at least equal to the public offering price with a "step-up" of the exercise price of 7% each year they are outstanding, or in the alternative, an overall 20% step-up. The step-up shall commence 12 months after the grant of the option or warrant. The election as to the step-up rate must be made at the time the option or warrant is issued.

(d) The options or warrants do not exceed five (5) years in duration and are exercisable no sooner than eleven (11) months after issuance.

(e) The options or warrants are issued by a relatively small company in the promotional stage where it appears from all the facts and circumstances that the issuance of such options is necessary to obtain competent investment banking service, provided that the direct commissions to the underwriters are lower than the usual and customary commissions would be in absence of such options.

(2) That in the computation of costs involved in the issue, it is hereby established that 20% of the original public offering price

of the option to underwriters shall be used by the Commission in considering the overall cost limitation of the issue as set forth in Rule 830-X-4-.09.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.15

**Options And Warrants To Officer, Employees
And Others.**

(1) The number of options issued or reserved for issuance shall be reasonable in number and the exercise price of such options and warrants shall not be less than fair market value at the date of granting. In the event such warrants and options exceed 10% of the shares to be outstanding upon completion of the offering, the issuer shall submit a written analysis supporting the reasonableness of the issuer's warrant and option policy.

(2) Options or warrants issued in connection with private placement financing arrangements made by the issuer may be excluded from the ten percent computation of the ruling if the exercise price of the warrant or option is not less than fair market value at time of issuance and the following conditions are met:

(a) The options or warrants are issued contemporaneously with the issuance of the evidence of indebtedness of the loan and expire no later than the final maturity date of the loan;

(b) The options or warrants are issued as a result of a bona fide negotiation between the issuer and parties not affiliated with the issuer;

(c) The options or warrants are issued to obtain favorable financing arrangements in a private placement financing with persons not affiliated with the issuer; and

(d) The number of shares issuable upon exercise of the options or warrants multiplied by the exercise price thereof does not exceed the face amount of the loan.

(3) Options and warrants issued in connection with acquisitions, reorganizations, consolidations or mergers may be excluded in determining the reasonableness of the number of shares covered by warrants and options if they are issued to parties not affiliated with the issuer. In the event the earnings per share of the issuer would be diluted in excess of 10% by the issuance of shares upon exercise of such options and warrants, the issuer shall submit an analysis upholding the reasonableness of the issuance of such options or warrants.

(4) The requirements of this ruling shall apply to applications for registration of equity securities or securities convertible into equity securities. In the event that a written analysis supporting the reasonableness of a warrant and option policy is unacceptable, the Commission may disregard the number of shares reserved for issuance covered by options and warrants if it is stated in the prospectus that the issuer will not grant options or warrants to purchase shares which would result in there being outstanding options or warrants covering a total of shares in excess of 10% of the then outstanding shares.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.16 Independent Transfer Agent And/Or Registrar.

(1) Every issuer of a security required to be registered by Qualification or Coordination having in excess of 100 security holders of record after distribution of its securities shall be required to appoint and maintain an independent transfer agent and/or registrar for its securities.

(2) Each agency agreement shall provide that the following records will be maintained or preserved for a period of not less than six (6) years:

(a) Blotters of other records of original entry containing itemized daily record of all receipts and deliveries of the issuer's securities.

(b) Ledger reflecting the individual transfer records for the issuer's separate securities.

(c) A separate ledger record of restricted securities and restrictive legend thereon.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.17 Credit Sales Prohibited.

There shall be no securities offered or sold on credit or credit terms nor shall the offerer or any related person arrange credit for any purchase of securities. Credit and credit terms as used in this rule include but are not limited to installment contracts, postdated checks, notes and bank endorsements.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.18 Consents Of Experts.

The following rule shall not apply if the registrant has submitted written consents or said written consents required herein have been waived or are not required by the Securities and Exchange Commission in support of a registration statement filed with the Securities and Exchange Commission.

(a) If any portion of the report of an expert is quoted or summarized as such in the registration statement or in a prospectus, the written consent of the expert shall expressly state that the expert consents to such quotation or summarization.

(b) If it is stated that any information contained in the registration statement has been reviewed or passed upon by any person and that such information is set forth in the registration statement upon the authority of or in reliance upon such persons as experts, the written consents of such persons shall be filed with the registration statement.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

830-X-4-.19 Price Escalation.

The price of equity securities after the first offering by the issuer under an order or registration must be justified by:

(a) Market Value;

(b) Book Value, using tangible items only; or

(c) Capitalization of average annual profits covering a period of at least two (2) years without the use of non-recurring items.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983.

**830-X-4-.20 Separate Registration Of Portfolios And Series
Issued By Open-End Management Investment
Companies.**

(1) Open-end management investment companies which intend to register more than one portfolio or series must make a separate registration filing for each additional portfolio or series to be registered.

(2) Any document or exhibits previously on file may be incorporated by reference.

(3) A separate U-1 application must be used for each portfolio or series registration filing unless Rule 830-X-4-.20(4) is applicable. A separate filing fee as calculated by Code of Ala. 1975, Section 8-6-8, must be paid for each portfolio or series registration filing, and a separate certificate will be issued for each portfolio or series registered.

(4) The same U-1 application may be used for each portfolio or series registration filing provided the portfolios or series listed on the U-1 share the same federal registration statement and will go effective with the SEC simultaneously. However, a separate filing fee as calculated by Code of Ala. 1975, Section 8-6-8, must be paid for each portfolio or series registration filing, and a separate certificate will be issued for each portfolio or series registered.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 28, 1990.

830-X-4-.21 NASAA Guidelines.

(1) Unless a specific rule promulgated herein or a state statute conflicts with the Guidelines, in which case the specific rule or statute will control, NASAA Guidelines, as published, will provide the basis for review of:

(a) Affiliate Transactions

(b) Options and Warrants

(c) Nonvoting Stock

(d) Cheap Stock

(e) Oil and Gas Programs

- (f) Real Estate Programs
- (g) Real Estate Investment Trusts
- (h) Equipment Programs
- (i) Commodity Pool Programs

(2) Other NASAA Guidelines, as published, shall be applied as needed unless such guideline conflicts with a specific rule promulgated herein or a state statute.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 28, 1990.

830-X-4-.22 Amendments.

While an order of registration is in effect, there shall be no amendments thereto which will:

- (a) Increase the price of the shares being offered,
- (b) Increase the number of shares being offered,
- (c) Increase the selling expense factor, or
- (d) Make any material change with reference to the use of proceeds.

Author:

Statutory Authority: Code of Ala. 1975, §8-6-23.

History: Filed September 30, 1982. **Readopted:** Filed November 9, 1983. **Amended:** Filed September 28, 1990.

Ed. Note: Formerly Rule No. 830-X-4-.20.