

ALABAMA SECURITIES COMMISSION
ADMINISTRATIVE CODECHAPTER 830-X-6
EXEMPT SECURITIES AND EXEMPT TRANSACTIONS

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830-X-6-.10 Eleemosynary Financing.

The Commission will waive the testing requirements of applicants for a securities agent license for the offer or sale of church or other eleemosynary institutional securities exempt pursuant to Code of Ala. 1975, §8-6-10(8); provided, however, that the following requirements are fully satisfied:

(a) A filing with the Commission which meets the requirements set out in the "Offering Circular Instructions" set out in "Guidelines" [see (e) below], and

(b) The submission of a draft of the Offering Circular proposed to be used in connection with the offering, and

(c) The submission of a registration form (U-4) for those individuals who are to solicit investor funds on behalf of the eleemosynary institution and payment of the fee in accordance with Code of Ala. 1975, §8-6-3(h), and

(d) Such other requirements as the Commission may from time to time adopt.

(e) There must be substantial compliance with the Guidelines for Eleemosynary Financing ("Guidelines") heretofore promulgated by the Commission which are incorporated herein as a part of this rule by reference.

Copies of these "Guidelines" are available at the office of the Commission.

Author:

Statutory Authority: Code of Ala. 1975, §§8-6-10(8), 8-6-23.

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

830-X-6-.11 Limited Offering Exemption.

(1) Pursuant to the Authority delegated to the Alabama Securities Commission by Code of Ala. 1975, §8-6-11(a)(9), any offer or sale of securities which is made in compliance with the following requirements of this rule will be deemed to be an exempt transaction and Code of Ala. 1975, §§8-6-3 through 8-6-9 shall not apply except as hereinafter in this rule expressly provided:

INTERPRETIVE COMMENT: In response to some questions, it should be understood that this transactional exemption is an expansion of, and an alternative to, the statutory exemption found in Code of Ala. 1975, §8-6-11(a)(9).

(a) The offer or sale of securities offered or sold must be in compliance with Rules 501-503, and 505 and 506 of Regulation D, 17 C.F.R. §§230.501 - 230.503, 230.505 and 230.506 adopted under the Securities Act of 1933 and made effective April 15, 1982, and which also satisfies the following further conditions and limitations:

1. No commission, finders fee or other remuneration shall be paid or given, directly or indirectly, to any person for soliciting any prospective purchaser in this state, unless such person is registered in this state pursuant to Code of Ala. 1975, §8-6-3.

2. No exemption under this rule shall be available for the securities of any issuer if any of the parties described in Rule 252(c), (d), (e) or (f) of Regulation A, 17 C.F.R. §230.252(c), (d), (e), and (f), adopted under the Securities Act of 1933 (generally described as: the issuer, any of its predecessors or any affiliated issuer; any of the directors, officers, general partners or beneficial owners of 10% or more of any equity securities of the issuer; any underwriter of the securities or any partner, director or officer of any such underwriter; or any issuer subject to the reporting requirements of the Securities Exchange Act of 1934 who has failed to file required reports):

(i) Has filed a registration statement which is the subject of a currently effective registration stop order entered pursuant to any state's securities law within five years prior to the filing of the notice required under this exemption.

(ii) Has been convicted within five years prior to the filing of the notice required under this exemption of any felony or misdemeanor in connection

with the offer, purchase or sale of any security or any felony involving fraud or deceit, including but not limited to forgery, embezzlement, obtaining money under false pretenses, larceny or conspiracy to defraud.

(iii) Is currently subject to any state administrative enforcement order or judgment entered by that state's securities administrator within five years prior to the filing of the notice required under this exemption or is subject to any state's administrative enforcement order or judgment in which fraud or deceit, including but not limited to making untrue statements of material facts and omitting to state material facts, was found and the order or judgment was entered within five years prior to the filing of the notice required under this exemption.

(iv) Is subject to any state's administrative enforcement order or judgment which prohibits, denies or revokes the use of any exemption from registration in connection with the offer, purchase or sale of securities.

(v) Is currently subject to any order, judgment, or decree of any court of competent jurisdiction temporarily or preliminary restraining or enjoining, or is subject to any order, judgment or decree of any court of competent jurisdiction, permanently restraining or enjoining, such party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of any false filing with the state entered within five years prior to the filing of the notice required under this exemption.

(vi) The prohibitions of subparagraphs (i), (ii), (iii), and (v) above shall not apply if the person subject to the disqualification is duly licensed or registered to conduct securities-related business in the state in which the administrative order or judgment was entered against such person or if the dealer employing such party is licensed or registered in this state and the Form BD filed with this state discloses the order, conviction, judgment or decree relating to such person. No person disqualified under this subsection may act in a capacity other than that for which the person is licensed or registered.

(vii) Any disqualification caused by this section may be waived if the state securities administrator or agency of the state which created the basis for

disqualification determines upon a showing of good cause that it is not necessary under the circumstances that the exemption be denied.

(viii) The disqualifications found in Rule 505(b)(2)(iii) of Regulation D shall apply also to offerings made pursuant to Rule 506.

INTERPRETIVE COMMENT: The wording of these "bad boy" disqualifiers is adopted verbatim from the NASAA ULOE promulgated 9/83 with the exception of a word change in (vii).

Subparagraph 2. (viii) is added to make clear that both the federal and the Alabama "bad boy" provisions apply to any offering made pursuant to this rule. The intent is to merge Rules 505 and 506 for purposes of the exemption in Alabama. Alabama recognizes that Regulation A is interpreted by the SEC to apply only to executive officers of an underwriter and will follow such interpretation.

3. The issuer shall file with the Securities Commission:

(i) An application for exemption on Form D, 17 C.F.R. §239.500 no later than five (5) full business days prior to the commencement of the offering in this state. The application for exemption shall include two copies of all information furnished by the issuer to any of the offerees. The exemption shall be deemed available unless the Commission issues a denial of said exemption prior to the expiration of the 5 full-day business period;

(ii) A notice on Part C of Form D, 17 C.F.R. §239.500, no later than thirty (30) days after the completion date of the offering;

(iii) The notice on Form D, 17 C.F.R. §239.500 required by paragraphs (i) and (ii) above shall be manually signed by a person duly authorized by the issuer;

(iv) Every application for exemption provided for in paragraph (i) above shall be accompanied by a nonrefundable filing fee as enumerated at §8-6-11 (C), Code of Ala. 1975. All applications or exemption and notices on Form D, 17 C.F.R. §239.500, shall be considered filed with the Securities Commission as of the date on which received at the office of the Securities Commission;

(v) Unless otherwise available, included with or in the initial notice shall be a consent to service of process as provided for in Code of Ala. 1975, §8-6-12.

4. In all sales to nonaccredited investors the issuer and any persons acting on its behalf shall have reasonable grounds to believe, and after making reasonable inquiry shall believe, that both of the following conditions are satisfied:

(i) The investment is suitable for the purchaser upon the basis of the facts, if any, disclosed by the purchaser as to his other security holdings and as to his financial situation and needs. For the limited purpose of this condition only, it may be presumed that if the investment does not exceed 20% of the investors net worth (excluding principle residence, furnishings therein and personal automobiles) it is suitable;

(ii) The purchaser either alone or with his purchaser representative(s) has such knowledge and experience in financial and business matters that he is or they are capable of evaluating the merits and risks of the prospective investment.

5. In all sales to those accredited investors defined in §230.501(1)(5)-(7) the issuer and any person acting on its behalf shall have reasonable grounds to believe and, after making reasonable inquiry, shall believe that the purchaser either alone or with his purchaser representative(s) has such knowledge and experience in financial and business matters that he is or they are capable of evaluating the merits and risks of the prospective investment.

(2) Nothing in this exemption is intended to relieve, or should be construed as in any way relieving, issuers or persons acting on behalf of issuers from providing disclosure to prospective investors adequate to satisfy Section 8-6-17 of the Act.

Further, the Private Placement Memorandum providing such disclosure must carry substantially the following information shown boldly on the outside cover:

"THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALABAMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH 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 THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE."

Alternatively, any consolidated legend in substantially the following form will be acceptable:

"THE UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF CERTAIN STATES AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND SUCH LAWS. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL."

(3) Offers and sales which are exempt under this rule may not be combined with offers and sales by issuers in transactions which are exempt under any other rule or section of this Act; however, nothing herein shall be deemed an election. If the offer and sale should for any reason fail to comply with all of the conditions for this exemption, the issuer may claim the availability of any other applicable exemption.

(4) In view of the objective of this rule and the purposes and policies underlying the Act, this exemption is not available to any issuer with respect to any transaction which, although in technical compliance with the rule, is part of a plan or scheme to evade registration or the conditions or limitations explicitly stated in this rule.

(5) No exemption under this rule shall be granted if compliance with the terms and conditions of this rule has not been effected by the issuer at all times prior to, during or subsequent to any offering of securities hereunder. The Securities Commission may stop order, deny, revoke or suspend the availability of any exemption pursuant to this rule pending a further investigation and determination as to whether the issuer has effected compliance with the terms and conditions of this rule. Neither compliance nor attempted compliance with this rule nor the absence of any objection or order by the securities commission with respect to any offering of securities undertaken pursuant to this rule shall be deemed approval of any securities offered pursuant to this rule.

Author: Joseph P. Borg

Statutory Authority: Code of Ala. 1975, §§8-6-11(a)(9), 8-6-23.

History: Filed September 30, 1982. **Amended:** Filed September 30, 1983. **Readopted:** Filed November 9, 1983. **Amended:** Filed September 28, 1990. **Emergency rule** filed September 9, 1991.

Amended: Filed October 23, 2009; effective November 27, 2009.

830-X-6-.12 Further Limited Offering Exemption.

(1) Pursuant to the Authority delegated to the Alabama Securities Commission by Code of Ala. 1975, §8-6-11(a)(9), any offer or sale of securities which is made in compliance with the following requirements of this rule will be deemed to be an exempt transaction and Code of Ala. 1975, §§8-6-3 through 8-6-9 shall not apply except as hereinafter in this rule expressly provided:

INTERPRETIVE COMMENT: In response to some questions, it should be understood that this transactional exemption is an expansion of, and an alternative to, the statutory exemption found in Code of Ala. 1975, §8-6-11(a)(9). Therefore, it is not necessary to comply with the provisions of this Rule 830-X-6-.12 if the offering complies with Code of Ala. 1975, §8-6-11(a)(9) which exempts offerings to no more than ten (10) purchasers.

(a) Sales of the securities which are part of an issue are not made to more than 25 persons [other than those designated in Code of Ala. 1975, §8-6-11(a)(8)] in this State during any period of 12 consecutive months.

(b) No commission, finders fee or other remuneration shall be paid or given, directly or indirectly, to any person for soliciting any prospective purchaser in this State, unless such person is registered in this State pursuant to Code of Ala. 1975, §8-6-3;

(c) No exemption under this rule shall be available for the securities of any issuer if any of the parties described in Rule 262(a) or (b) of Regulation A, 17 C.F.R. §230.262(a) and (b), adopted under the Securities Act of 1933 (generally described as: the issuer, any of its predecessors or any affiliated issuer; any director, officer or general partner of the issuer, beneficial owners of 10% or more of any class of its equity securities or any promoter of the issuer presently connected with it in any capacity; any underwriter of the securities to be offered, or any partner, director or officer of any such underwriter):

(i) Has filed a registration statement which is the subject of a currently effective registration stop order entered pursuant to any state's securities law within five years prior to the filing of the notice required under this exemption.

(ii) Has been convicted within five years prior to the filing of the notice required under this exemption of any felony or misdemeanor in connection with the offer, purchase or sale of any security or any felony involving

fraud or deceit, including but not limited to forgery, embezzlement, obtaining money under false pretenses, larceny or conspiracy to defraud.

(iii) Is currency subject to any state administrative enforcement order or judgment entered by that state's securities administrator within five years prior to the filing of the notice required under this exemption or is subject to any state's administrative enforcement order or judgment in which fraud or deceit, including, but not limited to, making untrue statements of material facts and omitting to state material facts, was found and the order or judgment was entered within five years prior to the filing of the notice required under this exemption.

(iv) Is subject to any state's administrative enforcement order or judgment which prohibits, denies or revokes the use of any exemption from registration in connection with the offer, purchase or sale of securities.

(v) Is currently subject to any order, judgment, or decree of any court of competent jurisdiction temporarily or preliminarily restraining or enjoining, or is subject to any order, judgment or decree of any court of competent jurisdiction, permanently restraining or enjoining, such party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of any false filing with the state entered within five years prior to the filing of the notice required under this exemption.

(vi) Any disqualifications caused by this section may be waived if the state securities administrator or agency of the State which created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances that the exemption be denied.

(vii) The disqualification found in Rule 505(b)(2)(iii) of Regulation D shall apply also to offerings made pursuant to this rule.

INTERPRETATIVE COMMENT: Subparagraph (c)(vii) is added to make clear that both the federal and the Alabama "bad boy" provisions apply to any offering made pursuant to this rule.

Alabama recognizes that Regulation A is interpreted by the SEC to apply only to executive officers of an underwriter and will generally follow such interpretation.

(d) The issuer shall file a notice with the Securities Commission as follows:

(i) If in connection with the transaction, the issuer is filing a notice with the Securities and Exchange Commission pursuant to Section 4(6) of the Securities Act of 1933 or Regulation D (Rule 230.503), the notice may be a copy of the form first filed pursuant to those provisions. The filing fee required by subsection (iv) below must accompany the filing. Each issuer (other than an Alabama corporation) must also file a consent to service of process in accordance with subsection (v) below, unless it already has a consent to service of process on file with the Securities Commission. The filing should be accompanied with a cover letter indicating that the filing is pursuant to Rule 830-X-6-.12, and if a consent to service of process is not included, a statement that the issuer already has a consent to service of process on file with the Securities Commission;

(ii) Unless a notice is filed pursuant to paragraph (i), the notice shall be in the form and contain the information specified by subsection (vi) below and in accordance with the instructions thereto and be accompanied by the fee required by subsection (iv) below;

(iii) A notice required by this section shall be filed with the Securities Commission no later than fifteen (15) calendar days after the latter to occur of (i) the sale of a security to the eleventh purchaser, wherever such purchaser is located, in a transaction involving purchasers in this State or (ii) the first sale to a purchaser located in this State. Each notice filed with the Securities Commission shall expire 12-months following the first sale of a security of the transaction in this State. At the written request of the issuer and upon proper showing, the Securities Commission may extend the term of the notice for up to 12 months;

INTERPRETIVE COMMENT: Regulation D of the Securities Act of 1933 requires that notice be given no later than fifteen (15) days after the first sale of a security. As previously stated, this rule 830-X-6-.12 is an expansion of, and an alternative to, the statutory exemption contained in Code of Ala. 1975, §8-6-11(a)(9) which provides for an exemption from registration for sales made to no more than ten (10) purchasers. Consequently, this rule presumes that an issuer would not elect to rely upon this rule in lieu of the statutory exemption contained in Code of Ala. 1975, §8-6-11(a)(9) until the issuer makes a sale to the eleventh purchaser in the offering, regardless of where such purchasers resides.

Accordingly, the fifteen (15) calendar day filing requirement commences upon the eleventh rather than the first sale of a security of an offering involving purchasers in this State so as not to preclude reliance upon this rule by an issuer who initially chooses to rely upon the statutory exemption contained in Code of Ala. 1975, §8-6-11(a)(9).

(iv) Each notice provided in (i) or (ii) above shall be accompanied by a nonrefundable filing fee as enumerated at §8-6-11(C), Code of Ala. 1975. Each request for an extension as provided in (iii) above shall be accompanied by a nonrefundable filing fee. All notices shall be considered filed with the Securities Commission as of the date on which received at the offices of the Securities Commission;

(v) Unless otherwise available or the issuer is an Alabama corporation, included with or in the initial notice shall be a consent to service of process as provided for in Code of Ala. 1975, §8-6-12;

(vi) A notice filing in the following form is to be used for transactions covered by subsection (d)(ii):

Alabama Securities Commission File No., if any

(Insert File number(s) of Previous Filings before the
Securities Commission, if any).

See Alabama Code Section 8-6-11(a) (9)

**ALABAMA SECURITIES COMMISSION STATE OF
ALABAMA**

**NOTICE OF TRANSACTION PURSUANT TO RULE 830-
X-6-.12**

1. Name of Issuer:

2. Address of Issuer:

Street City State Zip

Mailing Address (if different than above:)

Street City State Zip

3. Area Code and Telephone Number _____

4. Issuer's state (or other jurisdiction) of incorporation or organization:

5. Title of class or classes of securities sold in transaction:

6. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;

- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;

- Each executive officer and director of corporate issuers and of corporation general and managing partners of partnership issuers; and

- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer
☐ Director ☐ General and/or Managing

Partner

 Full Name (Last name first, if individual)

 Business or Residence Address (Number and Street, City, state, Zip Code)

Check Box(es) that Apply: ☐ Promoter ☐ Beneficial Owner ☐ Executive Officer
☐ Director ☐ General and/or Managing

Partner

 Full Name (Last name first, if individual)

 Business or Residence Address (Number and Street, City, state, Zip Code)

7. The value of the securities sold or proposed to be sold in the transaction, determined in accordance with Code of Ala. 1975, § 10-213-6.21(c), is:

	Alabama	Other States
(a) (i) in money.	\$ _____	\$ _____
(ii) in consideration other than money	\$ _____	\$ _____
(iii) total of (i) and (ii)	\$ _____	\$ _____

8. Exemption relied upon under Securities Act of 1933.

 9. List all exempt offerings made in the state of Alabama during the past four (4) years by the Issuer or any other issuer of which any of the persons named in Item 6 were a principal. Include the name of the issuer, the name of the person listed in Item 6 and the Alabama exemption relied upon by such issuer.

10. Date of Notice _____
_____ Issuer

☐ Check if issuer already has a
consent to service of process on _____
file with the Commissioner Authorized Signature on behalf of issue

Print name and title of signatory

Name, Address and Phone number of contact person:

Instruction: Each issuer (other than an Alabama corporation)
filing a notice under Rule 830-X-6-.12 must file a consent to
service of process with a certified resolution (Forms U-2 and
U-2A), unless it already has a consent to service of process on
file with the commissioner.

INSTRUCTIONSALABAMA SECURITIES COMMISSIONER

STATE OF ALABAMA

NOTICE OF TRANSACTION
PURSUANT TO RULE 830-X-6.12

INSTRUCTIONS

1. General. This Notice is to provide information on transactions conducted under Rule 830-X-6.12 exemption from the qualification requirements of Code of Ala. 1975, §§8-6-3 through 8-6-9. The form is not designated to indicate whether or not the transaction complies with the requirements of those exemptions but only to provide notice to the Securities Commission that the exemption is being relied on.

2. When to File Notice. The Notice must be filed with the Securities Commission no later than 15 calendar days after the later to occur (i) the sale of a security to the eleventh purchaser, wherever such purchaser is located, in a transaction involving purchaser in this State or (ii) the first sale to a purchaser located in this State. A sale to a purchaser in this State occurs when the issuer intends to sell in connection with the same transaction. The information required by the form is to relate to the entire transaction, not just the first sale or sales in this state. No subsequent notices are required for sales in connection with the same transaction. The information required by the form is to relate to the entire transaction, not just the first sale or sales in this state. The notice shall expire 12 months after the first sale of a security in the transaction in this state unless a request for an extension is granted by the Securities Commission in accordance with Rule 830-X-6-.12(i)(d)(iii).

3. Notice. The Notice may be filed in person or by mail at the office of the Securities Commission.

The Heading. If the issuer has previously qualified securities with the Securities Commission, insert the file number of the qualification in the upper right hand corner of the form in the space provided.

Item 1. Give the issuer's legal name.

Item 2. Give the street address, and the mailing address if different, of the issuer's principal place of business.

Item 3. Give the telephone number of issuer's principal place of business.

Item 4. Give the name of the state or other jurisdiction under whose laws the issuer is incorporated or organized. If the issuer is not incorporated or organized under the laws of any jurisdiction, provide the name of the jurisdiction where the issuer is domiciled and state

immediately thereafter the word domicile in parenthetical as follows: "domicile)".

Item 5. Set forth the name or title of each class or type of security to be sold in the transaction.

Item 6. Give the name and business address or home address (P.O. Boxes are not acceptable) of each of the persons listed on the form and indicate by checking the applicable box or boxes whether such person is a Promoter, Beneficial Owner, Executive Officer, Director or General and/or Managing Partner.

Item 7. The value of the securities shall be the price at which the issuer proposes to sell the securities, alleged in the notice, or the actual value of the consideration (if other than money) to be received in exchange for the securities.

Item 8. Indicate which exemption from registration under the Securities Act of 1933 is being relied upon by the issuer citing the statute and, if applicable, the rule of the Securities and Exchange Commission.

Item 9. If (i) the issuer or (ii) any of the individuals listed in Item 6 of the notice through a different issuer, have issued securities in the state of Alabama in the last four (4) years pursuant to an exempt offering, list the name of the issuer, the individual listed in Item 6, if applicable, and cite the exemption from registration under the Alabama Securities Act upon which such issuer relied.

Item 10. Date and Signature. The notice should be signed by an authorized officer, director, general partner or trustee of the issuer (or a person occupying a position with the issuer of equivalent responsibility) or by the authorized attorney of the issuer. If the person the Securities Commission is to contact in the event of questions concerning the transaction or the notice is different than the signer, insert the contact person's name, telephone number and correspondence address in the spaces provided. Otherwise, provide the information with respect to the signer.

4. Filing Fee. Each notice must be accompanied by the filing fee. Each request for an extension of this notice must be accompanied by the filing fee. All checks shall be made payable to the "Alabama Securities Commission".

5. Consent to Service of Process. Each issuer, other than an Alabama corporation, shall file a consent to service of process on file with the Securities Commission. Use Form U-2. Also, the consent to service of process must be accompanied by a certified resolution of the Board of Directors on Form U-2A.

(e) In all sales to nonaccredited investors the issuer and any persons acting on its behalf shall have reasonable grounds to believe, and after making diligent inquiry shall believe, that both of the following conditions are satisfied:

(i) The investment is suitable for the purchaser upon the basis of the facts, if any, disclosed by the purchaser as to his other security holdings and as to his financial situation and needs. For the limited purpose of this condition only, it may be presumed that if the investment does not exceed 20% of the investors net worth (excluding principal residence, furnishings therein and personal automobiles) it is suitable;

(ii) The purchaser either alone or with his purchaser representative(s) has such knowledge and experience in financial and business matters that he is or they are capable of evaluating the merits and risks of the prospective investment.

(f) The following legend shall be placed on the certificate or other document which evidences the securities:

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED WITH NOR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE AND SUCH REGISTRATION IS NOT CONTEMPLATED. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED IN WHOLE OR IN PART IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT OR AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION THAT AN EXEMPTION FROM REGISTRATION IS AVAILABLE."

(g) No public advertising or general solicitation is used in connection with the issue of which the transaction in reliance on this exemption is a part.

(3) Offers and sales which are exempt under this rule may not be combined with offers and sales by issuers in transactions which are exempt under any other rule or section of this Act; however, nothing herein shall be deemed an election. If the offer and sale should for any reason fail to comply with all of the conditions for this exemption, the issuer may claim the availability of any other applicable exemption.

(4) In view of the objective of this rule and the purposes and policies underlying the Act, this exemption is not available to any issuer with respect to any transaction which, although in technical compliance with the rule, is part of a plan or scheme to evade registration or the conditions or limitations explicitly stated in this rule.

Author: Joseph P. Borg

Statutory Authority: Code of Ala. 1975, §§8-6-11(a) (9), 8-6-23.

History: Rule 830-X-6-.12 entitled "Further Conditioning of Limited Offering Exemption" filed March 15, 1984. **Repealed:** Filed September 28, 1990. **New Rule:** Filed October 23, 1997; effective November 27, 1997. **Amended:** Filed October 13, 1998; effective November 17, 1998. **Amended:** Filed August 18, 1999; effective September 22, 1999. **Amended:** Filed October 23, 2009; effective November 27, 2009.

830-X-6-.13 Notice Filing Requirements For Federal Crowdfunding Offerings.

The following provisions apply to offerings made under federal Regulation Crowdfunding and Section 18(b)(4) of the Securities Act of 1933:

(1) Filing Requirements.

(a) An issuer whose principal place of business is in this state, or if residents of this state have purchased fifty percent or greater of the aggregate amount of the offering, shall file the following with the Commission:

1. A completed Uniform Notice of Federal Crowdfunding Offering form or copies of all documents filed with the Securities and Exchange Commission;
2. A consent to service of process on Form U-2 if not filing on the Uniform Notice of Federal Crowdfunding Offering form; and
3. The filing fee prescribed by 8-6-8(d).

(b) If the issuer has its principal place of business in this state, the filing required under subsection (a) of this section shall be filed with the Securities Commission when the issuer makes its initial Form C filing concerning the offering with the Securities and Exchange Commission. If the issuer does not have its principal place of business in this state but residents of this state have purchased fifty percent or greater of the aggregate amount of the offering, the filing required under subsection (a) of this section shall be filed when the issuer becomes aware that such purchases have met this threshold and in no event later than fifteen days from the date of completion of the offering.

(2) Amendments. An issuer may increase the amount of securities offered in this state by submitting a completed Uniform Notice of Federal Crowdfunding Offering form marked "amendment" or other document describing the transaction and a fee calculated pursuant to 8-6-8(d) to cover the increase in

the amount of securities being offered prior to selling additional securities in this state.

Author: Amanda Senn, General Counsel

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

History: New Rule: Filed January 13, 2017; effective February 27, 2017.