

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2778 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Charles McCall _____

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2778

By: McCall

7
8 PROPOSED COMMITTEE SUBSTITUTE

9 An Act relating to securities; creating the Oklahoma
10 Intrastate Crowdfunding Exemption; providing for
11 definitions; providing an exemption for a certain
12 offer or sale; providing that certain offer or sale
13 conform to certain state and federal laws; requiring
14 certain conditions be met to become an issuer;
15 requiring that certain notice be filed; providing for
16 a filing fee; directing deposit of certain fee into
17 the Oklahoma Department of Securities Revolving Fund;
18 requiring certain items be included in the notice;
19 requiring the issuer provide a disclosure statement;
20 directing what is to be included in disclosure
21 statement; requiring the issuer to provide an escrow
22 agreement to the Oklahoma Securities Commission;
23 directing all funds be deposited into the escrow
24 account; limiting the amount of cash and other
consideration for sales of a security; providing an
exception to limit; limiting the amount an investor
may purchase based on income; requiring the issuer to
provide an annual report to the Commission; providing
requirements as to what is to be included in the
annual report; providing penalties for failure to pay
notice filing fee; providing requirements for an
intermediary; directing funds received from investors
to go to the escrow account; providing for
registration of an intermediary; providing for a
registration fee; directing deposit of registration
fee into certain fund; requiring certain information
to be contained in application; providing for
registration upon certain findings of the Commission;

1 authorizing certain late fees; providing for
2 codification; and providing an effective date.

3
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 2-201 of Title 71, unless there
7 is created a duplication in numbering, reads as follows:

8 This act shall be known and may be cited as the "Oklahoma
9 Intrastate Crowdfunding Exemption".

10 SECTION 2. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 2-202 of Title 71, unless there
12 is created a duplication in numbering, reads as follows:

13 As used in this act:

14 1. "Commission" means the Oklahoma Securities Commission; and

15 2. "Intermediary" means a natural person residing in the state
16 or a corporation, trust, partnership, association, or other legal
17 entity registered with the Secretary of State to do business in the
18 state, which facilitates the offer or sale of securities under
19 Section 3 of this act.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 2-203 of Title 71, unless there
22 is created a duplication in numbering, reads as follows:

23 A. Notwithstanding any other provision of law, an offer or sale
24 of a security by an issuer is an exempt transaction if the offer or

1 sale is conducted in accordance with this section. The exemption
2 provided in this section may not be used in conjunction with any
3 other exemption under Section 1-202 of Title 71 of the Oklahoma
4 Statutes.

5 B. The offer or sale of securities under this section must be
6 conducted in accordance with the requirements of the federal
7 exemption for intrastate offerings in Section 3(a)(11) of the
8 Securities Act of 1933, 15 U.S.C., Section 77c(a)(11), and United
9 States Securities and Exchange Commission Rule 147, 17 C.F.R.,
10 Section 230.147, adopted pursuant to the Securities Act of 1933.

11 C. An issuer must:

12 1. Be a for-profit business entity formed under the laws of the
13 state, be registered with the Secretary of State, maintain its
14 principal place of business in the state, and derive its revenues
15 primarily from operations in the state;

16 2. Conduct transactions for the offering through a dealer
17 registered with the Secretary of State or an intermediary registered
18 under Section 4 of this act;

19 3. Not be, either before or as a result of the offering, an
20 investment company as defined in Section 3 of the Investment Company
21 Act of 1940, 15 U.S.C., Section 80a-3, or subject to the reporting
22 requirements of Section 13 or 15(d) of the Securities Exchange Act
23 of 1934, 15 U.S.C., Section 78m or 78o(d);

24

1 4. Not be a company with an undefined business operation, a
2 company that lacks a business plan, a company that lacks a stated
3 investment goal for the funds being raised, or a company that plans
4 to engage in a merger or acquisition with an unspecified business
5 entity;

6 5. Not be subject to a disqualification established by the
7 Commission or a disqualification described in Section 1-411 of Title
8 71 of the Oklahoma Statutes or United States Securities and Exchange
9 Commission Rule, 17 C.F.R., Section 230.506(d), adopted pursuant to
10 the Securities Act of 1933. Each director, officer, person
11 occupying a similar status or performing a similar function or
12 person holding more than twenty percent (20%) of the shares of the
13 issuer is subject to this requirement;

14 6. Execute an escrow agreement with a federally insured
15 financial institution authorized to do business in the state for the
16 deposit of investor funds and ensure that all offering proceeds are
17 provided to the issuer only when the aggregate capital raised from
18 all investors is equal to or greater than the target offering
19 amount; and

20 7. Allow investors to cancel a commitment to invest within
21 three (3) business days before the offering deadline, as stated in
22 the disclosure statement, and issue refunds to all investors if the
23 target offering amount is not reached by the offering deadline.

24

1 D. The issuer must file a notice of the offering with the
2 Commission, in writing or in electronic form, in a format prescribed
3 by Commission rule, together with a nonrefundable filing fee of Two
4 Hundred Dollars (\$200.00). The filing fee shall be deposited into
5 the Oklahoma Department of Securities Revolving Fund. The
6 Commission may adopt rules establishing procedures for the deposit
7 of fees and the filing of documents by electronic means if the
8 procedures provide the Commission with the information and data
9 required by this section. A notice is effective upon receipt by the
10 Commission of the completed form, filing fee and an irrevocable
11 written consent to service of civil process. The notice may be
12 terminated by filing with the Commission a notice of termination.
13 The notice and offering expire twelve (12) months after filing the
14 notice with the Commission and are not eligible for renewal. The
15 notice must:

16 1. Be filed with the Commission at least ten (10) days before
17 the issuer commences an offering of securities or the offering is
18 displayed on a website of an intermediary in reliance upon the
19 exemption provided by this section;

20 2. Indicate that the issuer is conducting an offering in
21 reliance upon the exemption provided by this section;

22 3. Contain the name and contact information of the issuer;

23 4. Identify any predecessors, owners, officers, directors and
24 control persons, or any person occupying a similar status or

1 performing a similar function of the issuer, including that person's
2 title, his or her status as a partner, trustee, sole proprietor or
3 similar role, and his or her ownership percentage;

4 5. Identify the federally insured financial institution
5 authorized to do business in the state in which investor funds will
6 be deposited in accordance with the escrow agreement;

7 6. Bear an attestation under oath that the issuer, its
8 predecessors, affiliated issuers, directors, officers and control
9 persons, or any other person occupying a similar status or
10 performing a similar function, is not currently and has not been
11 within the past ten (10) years the subject of regulatory or criminal
12 actions involving fraud or deceit;

13 7. Include documentation verifying that the issuer is organized
14 under the laws of the state and authorized to do business in the
15 state;

16 8. Include the intermediary's website address where the
17 issuer's securities will be offered; and

18 9. Include the target offering amount.

19 E. The issuer must amend the notice form within thirty (30)
20 days after any information contained in the notice becomes
21 inaccurate for any reason. The Commission may require, by rule, an
22 issuer who has filed a notice under this section to file amendments
23 with the office.

24

1 F. The issuer must provide to investors and the dealer or
2 intermediary, along with a copy to the Commission at the time that
3 the notice is filed, and make available to potential investors
4 through the dealer or intermediary, a disclosure statement
5 containing material information about the issuer and the offering,
6 including:

7 1. The name, legal status, physical address and website address
8 of the issuer;

9 2. The names of the directors, officers and any person
10 occupying a similar status or performing a similar function, and the
11 name of each person holding more than twenty percent (20%) of the
12 shares of the issuer;

13 3. A description of the business of the issuer and the
14 anticipated business plan of the issuer;

15 4. A description of the stated purpose and intended use of the
16 proceeds of the offering;

17 5. The target offering amount, the deadline to reach the target
18 offering amount, and regular updates regarding the progress of the
19 issuer in meeting the target offering amount;

20 6. The price to the public of the securities or the method for
21 determining the price. However, before the sale, each investor must
22 receive in writing the final price and all required disclosures and
23 have an opportunity to rescind the commitment to purchase the
24 securities;

1 7. A description of the ownership and capital structure of the
2 issuer, including:

3 a. terms of the securities being offered and each class
4 of security of the issuer, including how those terms
5 may be modified, and a summary of the differences
6 between such securities, including how the rights of
7 the securities being offered may be materially
8 limited, diluted or qualified by rights of any other
9 class of security of the issuer,

10 b. a description of how the exercise of the rights held
11 by the principal shareholders of the issuer could
12 negatively impact the purchasers of the securities
13 being offered,

14 c. the name and ownership level of each existing
15 shareholder who owns more than twenty percent (20%) of
16 any class of the securities of the issuer,

17 d. how the securities being offered are being valued and
18 examples of methods of how such securities may be
19 valued by the issuer in the future, including during
20 subsequent corporate actions, and

21 e. the risks to purchasers of the securities relating to
22 minority ownership in the issuer, the risks associated
23 with corporate action, including additional issuances
24

1 of shares, a sale of the issuer or of assets of the
2 issuer, or transactions with related parties;

3 8. A description of the financial condition of the issuer:

4 a. for offerings that, in combination with all other
5 offerings of the issuer within the preceding twelve-
6 month period, have target offering amounts of One
7 Hundred Thousand Dollars (\$100,000.00) or less, the
8 description must include the most recent income tax
9 return filed by the issuer, if any, and a financial
10 statement that must be certified by the principal
11 executive officer of the issuer as true and complete
12 in all material respects,

13 b. for offerings that, in combination with all other
14 offerings of the issuer within the preceding twelve-
15 month period, have target offering amounts of more
16 than One Hundred Thousand Dollars (\$100,000.00), but
17 not more than Five Hundred Thousand Dollars
18 (\$500,000.00), the description must include financial
19 statements prepared in accordance with generally
20 accepted accounting principles and reviewed by a
21 certified public accountant who is independent of the
22 issuer, using professional standards and procedures
23 for such review or standards and procedures
24

1 established by the office, by rule, for such purpose,
2 and

3 c. for offerings that, in combination with all other
4 offerings of the issuer within the preceding twelve-
5 month period, have target offering amounts of more
6 than Five Hundred Thousand Dollars (\$500,000.00), the
7 description must include audited financial statements
8 prepared in accordance with generally accepted
9 accounting principles by a certified public accountant
10 who is independent of the issuer and other
11 requirements as the Commission may establish by rule;
12 and

13 9. The following statement in boldface, conspicuous type on the
14 front page of the disclosure statement:

15 "These securities are offered under, and will be sold in
16 reliance upon, an exemption from the registration requirements
17 of federal and Oklahoma securities laws. Consequently, neither
18 the Federal Government nor the State of Oklahoma has reviewed
19 the accuracy or completeness of any offering materials. In
20 making an investment decision, investors must rely on their own
21 examination of the issuer and the terms of the offering,
22 including the merits and risks involved. These securities are
23 subject to restrictions on transferability and resale and may
24 not be transferred or resold except as specifically authorized

1 by applicable federal and state securities laws. Investing in
2 these securities involves a speculative risk, and investors
3 should be able to bear the loss of their entire investment."

4 G. The issuer shall provide to the Commission a copy of the
5 escrow agreement with a financial institution authorized to conduct
6 business in this state. All investor funds must be deposited in the
7 escrow account. The escrow agreement must require that all offering
8 proceeds be released to the issuer only when the aggregate capital
9 raised from all investors is equal to or greater than the minimum
10 target offering amount specified in the disclosure statement as
11 necessary to implement the business plan, and that all investors
12 will receive a full return of their investment commitment if that
13 target offering amount is not raised by the date stated in the
14 disclosure statement.

15 H. The sum of all cash and other consideration received for
16 sales of a security under this section may not exceed One Million
17 Dollars (\$1,000,000.00), less the aggregate amount received for all
18 sales of securities by the issuer within the twelve (12) months
19 preceding the first offer or sale made in reliance upon this
20 exemption. Offers or sales to a person owning twenty percent (20%)
21 or more of the outstanding shares of any class or classes of
22 securities or to an officer, director, partner or trustee, or a
23 person occupying a similar status, do not count toward this
24 limitation.

1 I. Unless the investor is an accredited investor as defined by
2 Rule 501 of Regulation D, adopted pursuant to the Securities Act of
3 1933, the aggregate amount sold by an issuer to an investor in
4 transactions exempt from registration requirements under this
5 subsection in a twelve-month period may not exceed:

6 1. The greater of Two Thousand Dollars (\$2,000.00) or five
7 percent (5%) of the annual income or net worth of such investor, if
8 the annual income or the net worth of the investor is less than One
9 Hundred Thousand Dollars (\$100,000.00); or

10 2. Ten percent (10%) of the annual income or net worth of such
11 investor, not to exceed a maximum aggregate amount sold of One
12 Hundred Thousand Dollars (\$100,000.00), if either the annual income
13 or net worth of the investor is equal to or exceeds One Hundred
14 Thousand Dollars (\$100,000.00).

15 J. The issuer shall file with the Commission and provide to
16 investors free of charge an annual report of the results of
17 operations and financial statements of the issuer within forty-five
18 (45) days after the end of its fiscal year, until no securities
19 under this offering are outstanding. The annual reports must meet
20 the following requirements:

21 1. Include an analysis by management of the issuer of the
22 business operations and the financial condition of the issuer, and
23 disclose the compensation received by each director, executive
24 officer and person having an ownership interest of twenty percent

1 (20%) or more of the issuer, including cash compensation earned
2 since the previous report and on an annual basis, and any bonuses,
3 stock options, other rights to receive securities of the issuer or
4 any affiliate of the issuer, or other compensation received; and

5 2. Disclose any material change to information contained in the
6 disclosure statements which was not disclosed in a previous report.

7 K. 1. A notice-filing under this section shall be summarily
8 suspended by the Commission if the payment for the filing is
9 dishonored by the financial institution upon which the funds are
10 drawn. Failure to pay the required notice filing fee constitutes an
11 immediate and serious danger to the public health, safety and
12 welfare. The Commission shall enter a final order revoking a
13 notice-filing in which the payment for the filing is dishonored by
14 the financial institution upon which the funds are drawn.

15 2. A notice-filing under this section shall be summarily
16 suspended by the Commission if the issuer made a material false
17 statement in the issuer's notice-filing. The summary suspension
18 shall remain in effect until a final order is entered by the
19 Commission. A material false statement made in the issuer's notice-
20 filing constitutes an immediate and serious danger to the public
21 health, safety and welfare. If an issuer made a material false
22 statement in the issuer's notice-filing, the Commission shall enter
23 a final order revoking the notice-filing and issue permanent bars to
24 the issuer and all owners, officers, directors and control persons,

1 or any person occupying a similar status or performing a similar
2 function of the issuer, including title, status as a partner,
3 trustee, sole proprietor or similar role, and ownership percentage.

4 L. An intermediary must:

5 1. Take measures, as established by Commission rule, to reduce
6 the risk of fraud with respect to transactions, including verifying
7 that the issuer is in compliance with the requirements of this
8 section and, if necessary, denying an issuer access to its platform
9 if the intermediary believes it is unable to adequately assess the
10 risk of fraud of the issuer or its potential offering;

11 2. Provide basic information on its website regarding the high
12 risk of investment in and limitation on the resale of exempt
13 securities and the potential for loss of an entire investment. The
14 basic information must include:

15 a. a description of the escrow agreement that the issuer
16 has executed and the conditions for release of such
17 funds to the issuer in accordance with the agreement
18 and subsection D of this section, and

19 b. a description of whether financial information
20 provided by the issuer has been audited by an
21 independent certified public accountant;

22 3. Obtain a zip code or residence address from each potential
23 investor who seeks to view information regarding specific investment
24

1 opportunities, in order to confirm that the potential investor is a
2 resident of the state;

3 4. Obtain and verify a valid Oklahoma driver license number or
4 Oklahoma identification card number from each investor before
5 purchase of a security to confirm that the investor is a resident of
6 the state. The Commission may adopt rules authorizing additional
7 forms of identification and prescribing the process for verifying
8 any identification presented by the investor;

9 5. Obtain an affidavit from each investor stating that the
10 investment being made by the investor is consistent with the income
11 requirements of subsection I of this section;

12 6. Direct the release of investor funds in escrow in accordance
13 with subsection C of this section;

14 7. Direct investors to transmit funds directly to the financial
15 institution designated in the escrow agreement to hold the funds for
16 the benefit of the investor;

17 8. Provide a monthly update for each offering, after the first
18 full month after the date of the offering. The update must be
19 accessible on the intermediary's website and must display the date
20 and amount of each sale of securities, and each cancellation of
21 commitment to invest, in the previous calendar month;

22 9. Require each investor to certify in writing, including as
23 part of such certification his or her signature and his or her
24 initials next to each paragraph of the certification, as follows:

1 "I understand and acknowledge that:

2 I am investing in a high-risk, speculative business venture. I
3 may lose all of my investment, and I can afford the loss of my
4 investment.

5 This offering has not been reviewed or approved by any state or
6 federal securities commission or other regulatory authority, and
7 no regulatory authority has confirmed the accuracy or determined
8 the adequacy of any disclosure made to me relating to this
9 offering.

10 The securities I am acquiring in this offering are illiquid and
11 are subject to possible dilution. There is no ready market for
12 the sale of the securities. It may be difficult or impossible
13 for me to sell or otherwise dispose of the securities, and I may
14 be required to hold the securities indefinitely.

15 I may be subject to tax on my share of the taxable income and
16 losses of the issuer, whether or not I have sold or otherwise
17 disposed of my investment or received any dividends or other
18 distributions from the issuer.

19 By entering into this transaction with the issuer, I am
20 affirmatively representing myself as being an Oklahoma resident
21 at the time this contract is formed, and if this representation
22 is subsequently shown to be false, the contract is void.

23 If I resell any of the securities I am acquiring in this
24 offering to a person that is not an Oklahoma resident within

1 nine (9) months after the closing of the offering, my contract
2 with the issuer for the purchase of these securities is void.";

3 10. Require each investor to answer questions demonstrating an
4 understanding of the level of risk generally applicable to
5 investments in startups, emerging businesses and small issuers, and
6 an understanding of the risk of illiquidity;

7 11. Take reasonable steps to protect personal information
8 collected from investors;

9 12. Prohibit its directors and officers from having any
10 financial interest in the issuer using its services; and

11 13. Implement written policies and procedures that are
12 reasonably designed to achieve compliance with federal and state
13 securities laws; comply with the anti-money-laundering requirements
14 of 31 C.F.R., Chapter X, applicable to registered brokers; and
15 comply with the privacy requirements of 17 C.F.R., Part 248,
16 relating to brokers.

17 M. An intermediary not registered as a dealer may not:

18 1. Offer investment advice or recommendations. A refusal by an
19 intermediary to post an offering that it deems not credible or that
20 represents a potential for fraud may not be construed as an offer of
21 investment advice or recommendation;

22 2. Solicit purchases, sales or offers to buy securities offered
23 or displayed on its website;

1 3. Compensate employees, agents or other persons for the
2 solicitation of, or based on the sale of, securities offered or
3 displayed on its website;

4 4. Hold, manage, possess or otherwise handle investor funds or
5 securities;

6 5. Compensate promoters, finders or lead generators for
7 providing the intermediary with the personal identifying information
8 of any potential investor; or

9 6. Engage in any other activities set forth by Commission rule.

10 N. All funds received from investors must be directed to the
11 financial institution designated in the escrow agreement to hold the
12 funds and must be used in accordance with representations made to
13 investors by the intermediary. If an investor cancels a commitment
14 to invest, the intermediary must direct the financial institution
15 designated to hold the funds to promptly refund the funds of the
16 investor.

17 SECTION 4. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 2-204 of Title 71, unless there
19 is created a duplication in numbering, reads as follows:

20 A. An intermediary may not engage in business in this state
21 unless the intermediary is registered as a dealer or as an
22 intermediary with the Commission pursuant to this section to
23 facilitate the offer or sale of securities. An intermediary, in
24 order to obtain registration, must file with the Commission a

1 written application on a form prescribed by Commission rule and pay
2 a registration fee of Two Hundred Dollars (\$200.00). The fees under
3 this section shall be deposited into the Oklahoma Department of
4 Securities Revolving Fund. The Commission may establish by rule
5 procedures for depositing fees and filing documents by electronic
6 means if such procedures provide the Commission with the information
7 and data required by this section. Each intermediary must also file
8 an irrevocable written consent to service of civil process.

9 B. The application must contain such information as the
10 Commission may require concerning:

11 1. The name of the applicant and address of its principal
12 office and each office in this state;

13 2. The applicant's form and place of organization; and, if the
14 applicant is a corporation, a copy of its articles of incorporation
15 and amendments to the articles of incorporation or, if a
16 partnership, a copy of the partnership agreement;

17 3. The website address where securities of the issuer will be
18 offered; and

19 4. Contact information.

20 C. The application must also contain such information as the
21 Commission may require by rule about the applicant; any member,
22 principal or director of the applicant or any person having a
23 similar status or performing similar functions; or any persons
24 directly or indirectly controlling the applicant. Each applicant

1 and any direct owners, principals or indirect owners that are
2 required to be reported on a form adopted by Commission rule shall
3 submit fingerprints for live-scan processing in accordance with
4 rules adopted by the Commission. The fingerprints may be submitted
5 through a third-party vendor authorized by the Oklahoma State Bureau
6 of Investigation to provide live-scan fingerprinting. The costs of
7 fingerprint processing shall be borne by the person subject to the
8 background check. The Oklahoma State Bureau of Investigation shall
9 conduct a state criminal history background check, and a federal
10 criminal history background check must be conducted through the
11 Federal Bureau of Investigation. The Commission shall review the
12 results of the state and federal criminal history background checks
13 and determine whether the applicant meets registration requirements.
14 The Commission may waive, by rule, the requirement that applicants,
15 including any direct owners, principals or indirect owners, which
16 are required to be reported on a form adopted by Commission rule,
17 submit fingerprints or the requirement that such fingerprints be
18 processed by the Oklahoma State Bureau of Investigation or the
19 Federal Bureau of Investigation. The Commission, by rule, or the
20 office may require information about any applicant or person,
21 including:

22 1. His or her full name and any other names by which he or she
23 may have been known and his or her age, social security number,
24 photograph, qualifications, and educational and business history;

1 2. Any injunction or administrative order by a state or federal
2 agency, national securities exchange, or national securities
3 association involving a security or any aspect of the securities
4 business and any injunction or administrative order by a state or
5 federal agency regulating banking, insurance, finance or small loan
6 companies, real estate, mortgage brokers, or other related or
7 similar industries, which relate to such person; and

8 3. His or her conviction of, or plea of nolo contendere to, a
9 criminal offense or his or her commission of any acts that would be
10 grounds for refusal of an application.

11 D. The application must be amended within thirty (30) days if
12 any information contained in the form becomes inaccurate for any
13 reason.

14 E. An intermediary or persons affiliated with the intermediary
15 are not subject to any disqualification described in the Oklahoma
16 Uniform Securities Act of 2004, Section 1-101 et seq. of Title 71 of
17 the Oklahoma Statutes, or United States Securities and Exchange
18 Commission Rule, 17 C.F.R., Section 230.506(d), adopted pursuant to
19 the Securities Act of 1933. Each director, officer, control person
20 of the issuer, any person occupying a similar status or performing a
21 similar function, and each person holding more than twenty percent
22 (20%) of the shares of the intermediary is subject to this
23 requirement.

24

1 F. If the Commission finds that the applicant is of good repute
2 and character and has complied with the provisions of this chapter
3 and the rules adopted thereunder, it shall register the applicant.
4 The registration of each intermediary expires on December 31 of the
5 year the registration became effective unless the registrant renews
6 his or her registration on or before that date. Registration may be
7 renewed by furnishing such information as the Commission may require
8 by rule, together with payment of a fee of Two Hundred Dollars
9 (\$200.00) and the payment of any amount due to the Commission
10 pursuant to any order of the Commission or pursuant to any agreement
11 with the Commission. An intermediary who has not renewed a
12 registration by the time that the current registration expires may
13 request reinstatement of such registration by filing with the
14 Commission, on or before January 31 of the year following the year
15 of expiration, such information as required by the Commission,
16 together with payment of the fee of Two Hundred Dollars (\$200.00)
17 and a late fee of Two Hundred Dollars (\$200.00). Any reinstatement
18 of registration granted by the Commission during the month of
19 January is deemed effective retroactive to January 1 of that year.

20 SECTION 5. This act shall become effective November 1, 2016.

21

22 55-2-8939 MAH 02/17/16

23

24