H.492

Introduced by Representatives Michelsen of Hardwick, Connor of Fairfield, Moran of Wardsboro, and Zagar of Barnard

Referred to Committee on

Date:

Subject: Agriculture; securities; exemption

Statement of purpose of bill as introduced: This bill proposes to exempt certain community-capital raised small businesses in the agricultural or forest products sector from the securities filing requirement.

An act relating to securities exemption for small businesses in the agriculture or forest products sector

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 9 V.S.A. § 5202 is amended to read:

§ 5202. EXEMPT TRANSACTIONS

The following transactions are exempt from the requirements of sections 5301 through 5306 and 5504 of this chapter:

* * *

(22) a transaction involving:

(A) a stock dividend or equivalent equity distribution, whether the corporation or other business organization distributing the dividend or

equivalent equity distribution is the issuer or not, if nothing of value is given by stockholders or other equity holders for the dividend or equivalent equity distribution other than the surrender of a right to a cash or property dividend if each stockholder or other equity holder may elect to take the dividend or equivalent equity distribution in cash, property, or stock;

(B) an act incident to a judicially approved reorganization in which a security is issued in exchange for one or more outstanding securities, claims, or property interests, or partly in such exchange and partly for cash; or

(C) the solicitation of tenders of securities by an offeror in a tender offer in compliance with 17 C.F.R. § 230.162; ~~or~~

(23) a nonissuer transaction in an outstanding security by or through a broker-dealer registered or exempt from registration under this chapter, if the issuer is a reporting issuer in a foreign jurisdiction designated by this subdivision or by rule adopted or order issued under this chapter; has been subject to continuous reporting requirements in the foreign jurisdiction for not less than 180 days before the transaction; and the security is listed on the foreign jurisdiction's securities exchange that has been designated by this subdivision or by rule adopted or order issued under this chapter, or is a security of the same issuer that is of senior or substantially equal rank to the listed security or is a warrant or right to purchase or subscribe to any of the foregoing. For purposes of this subdivision, Canada, together with its

provinces and territories, is a designated foreign jurisdiction and The Toronto Stock Exchange, Inc., is a designated securities exchange. After an administrative hearing in compliance with 3 V.S.A. chapter 25 ~~of Title 3~~ (Administrative Procedure Act), the ~~commissioner~~ Commissioner, by rule adopted or order issued under this chapter, may revoke the designation of a securities exchange under this subdivision, if the ~~commissioner~~ Commissioner finds that revocation is necessary or appropriate in the public interest and for the protection of investors;

(24) a sale or an offer to sell securities by or on behalf of an issuer whose primary business purposes involve activity within the agriculture or forest products sectors, if the transaction is part of a single issue in which:

(A) not more than 200 purchasers are involved in the transaction; and

(B) each purchaser invests no more than $1,000.00 in the transaction.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2013.