

# Article 1

New Securities Act	Current Wyoming Securities Act	Analysis
<p style="text-align: center;"><b>ARTICLE 1</b> <b>GENERAL PROVISIONS</b></p> <p><b>SECTION 101. SHORT TITLE.</b> This <del>{Act}</del> act may be cited as the <b>Wyoming</b> Uniform Securities Act <del>(2002)</del>.</p> <p><b>SECTION 102. DEFINITIONS.</b> In this <del>{Act}</del> act, unless the context otherwise requires:</p> <p>(1) "Administrator" means the <del>{insert title of administrative agency or official}</del> <b>secretary of state</b>.</p> <p>(2) "Agent" means <b>an</b> individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities <b>or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. But</b> a partner, officer, or director of a broker-dealer or issuer, or <b>an individual having</b> a similar status or performing similar functions is an agent only if <b>the individual</b> otherwise comes within <b>the term</b>. The term does not include an individual excluded by rule adopted or order issued under this <del>{Act}</del> act.</p> <p>(3) "Bank" means:</p> <p style="padding-left: 40px;">(A) a banking institution organized under the laws of the United States;</p> <p style="padding-left: 40px;">(B) a member bank of the Federal Reserve System;</p> <p style="padding-left: 40px;">(C) any other banking institution, whether incorporated or not, doing business under the laws of a state or</p>	<p><b>17-4-129. Short title.</b> This act may be cited as the Uniform Securities Act.</p> <p><b>17-4-113. Definitions.</b></p> <p>(a) <b>When used</b> in this act, unless the context otherwise requires:</p> <p style="padding-left: 40px;">(i) "Administrator" means the secretary of state;</p> <p style="padding-left: 40px;">(ii) "Agent" means <b>any</b> individual other than a broker-dealer who represents a broker-dealer <b>or issuer</b> in effecting or attempting to effect purchases or sales of securities</p> <p style="padding-left: 40px;">A partner, officer, or director of a broker-dealer or issuer, or <b>a person occupying</b> a similar status or performing similar functions, is an agent only if <b>he</b> otherwise comes within <b>this definition</b>;</p>	<p style="text-align: center;">New definition - Bank</p>

of the United States, a substantial portion of the business of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to be exercised by national banks under the authority of the Comptroller of the Currency pursuant to Section 1 of Public Law 87-722 (12 U.S.C. Section 92a), and which is supervised and examined by a state or federal agency having supervision over banks, and which is not operated for the purpose of evading this ~~{Act}~~ act; and

(D) a receiver, conservator, or other liquidating agent of any institution or firm included in subparagraph (A), (B), or (C).

(4) "Broker-dealer" means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account. The term does not include:

(A) an agent;

(B) an issuer;

(C) a bank or savings institution if its activities as a broker-dealer are limited to those specified in subsections 3(a)(4)(B)(i) through (vi), (viii) through (x), and (xi) if limited to unsolicited transactions; 3(a)(5)(B); and 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C. Sections 78c(a)(4) and (5)) or a bank that satisfies the conditions described in subsection 3(a)(4)(E) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78c(a)(4));

(D) an international banking institution; or

(E) a person excluded by rule adopted or order issued under this ~~{Act}~~ act.

(iii) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for his own account. "Broker-dealer" does not include:

(A) An agent;

(B) An issuer;

(C) A bank, savings institution, or trust company, engaging in securities transactions limited to trust or banking functions and not with the general public;



(8) "Filing" means the receipt under this [Act] act of a record by the administrator-secretary of state or a designee of the administrator secretary of state.

(9) "Fraud," "deceit," and "defraud" are not limited to common law deceit.

(10) "Guaranteed" means guaranteed as to payment of all principal and all interest.

(11) "Institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity:

(A) a depository institution or international banking institution;

(B) an insurance company;

(C) a separate account of an insurance company;

(D) an investment company as defined in the Investment Company Act of 1940;

(E) a broker-dealer registered under the Securities Exchange Act of 1934;

(F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of

(iv) "Fraud", "deceit", and "defraud" are not limited to common-law deceit;

(v) "Guaranteed" means guaranteed as to payment of principal, interest, or dividends;

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(D) A person who has no place of business in this state if:

(I) He effects transactions in this state exclusively with or through (1) the issuers of the securities involved in the transactions, \*or (3) banks, savings institutions, trust companies,

insurance companies,

investment companies as defined in the Investment Company Act of 1940,

\*(2) other broker-dealers

pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees; or

New definition – Filing

To recognize that records may be filed in paper form or electronically.

New definition – Institutional investor

1940, an investment adviser registered under this ~~Act~~ act, a depository institution, or an insurance company;

(G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this ~~Act~~ act, a depository institution, or an insurance company;

(H) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in subparagraph (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans;

(I) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Section 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000;

(J) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. Section 681(c)) with total assets in excess of \$10,000,000;

(K) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(22)) with total assets in excess of \$10,000,000;

(L) a federal covered investment adviser acting for its own account;

(M) a “qualified institutional buyer” as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A);

(N) a “major U.S. institutional investor” as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6);

(O) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading this ~~Act~~ act; or

(P) any other person specified by rule adopted or order issued under this ~~Act~~ act.

(12) “Insurance company” means a company organized as an insurance company whose primary business is writing insurance or reinsuring risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a state.

(13) “Insured” means insured as to payment of all principal and all interest.

(14) “International banking institution” means an international financial institution of which the United States is

New definition – Insurance company  
Based on Securities Act of 1933 Section 2(a)(13).

New definition - Insured

New definition - International banking institution

a member and whose securities are exempt from registration under the Securities Act of 1933.

(15) "Investment adviser" means a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation. The term does not include:

(A) an investment adviser representative;

(B) a lawyer, accountant, engineer, or teacher whose performance of investment advice is solely incidental to the practice of the person's profession;

(C) a broker-dealer or its agents whose performance of investment advice is solely incidental to the conduct of business as a broker-dealer and that does not receive special compensation for the investment advice;

(D) a publisher of a bona fide newspaper, news magazine, or business or financial publication of general and regular circulation;

(E) a federal covered investment adviser;

(F) a bank or savings institution;

(G) any other person that is excluded by the

New definition - Investment Adviser  
(Home State Investment Advisory Firms)

Investment Advisers Act of 1940 from the definition of investment adviser; or

(H) any other person excluded by rule adopted or order issued under this ~~Act~~ act.

(16) “Investment adviser representative” means an individual employed by or associated with an investment adviser or federal covered investment adviser and who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds herself or himself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing. The term does not include an individual who:

(A) performs only clerical or ministerial acts;

(B) is an agent whose performance of investment advice is solely incidental to the individual acting as an agent and who does not receive special compensation for investment advisory services;

(C) is employed by or associated with a federal covered investment adviser, unless the individual has a “place of business” in this State as that term is defined by rule adopted under Section 203A of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-3a) and is

(i) an “investment adviser representative” as that term is defined by rule adopted under Section 203A of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-3a); or

New definition - Investment Adviser Representative  
(Individual who works for the Investment Adviser)

(ii) not a “supervised person” as that term is defined in Section 202(a)(25) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(25)); or

(D) is excluded by rule adopted or order issued under this ~~Act~~ act.

(17) “Issuer” means a person that issues or proposes to issue a security, subject to the following:

(A) The issuer of a voting trust certificate, collateral trust certificate, certificate of deposit for a security, or share in an investment company without a board of directors or individuals performing similar functions is the person performing the acts and assuming the duties of depositor or manager pursuant to the trust or other agreement or instrument under which the security is issued.

(B) The issuer of an equipment trust certificate or similar security serving the same purpose is the person by which the property is or will be used or to which the property or equipment is or will be leased or conditionally sold or that is otherwise contractually responsible for assuring payment of the certificate.

(C) The issuer of a fractional undivided interest in an oil, gas, or other mineral lease or in payments out of production under a lease, right, or royalty is the owner of an interest in the lease or in payments out of production under a lease, right, or royalty, whether whole or fractional, that creates fractional interests for the purpose of sale.

(18) “Nonissuer transaction” or “nonissuer distribution” means a transaction or distribution not directly or indirectly for the benefit of the issuer.

(vi) "Issuer" means any person who issues or proposes to issue any security, except that with respect to certificates of deposit, voting trust certificates, or collateral trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors or persons performing similar functions or of the fixed, restricted management, or unit type, the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which the security is issued;

(vii) "Nonissuer" means not directly or indirectly for the benefit of the issuer;



rates, call prices, and other matters dependent upon the offering price.

(24) "Principal place of business" of a broker-dealer or an investment adviser means the executive office of the broker-dealer or investment adviser from which the officers, partners, or managers of the broker-dealer or investment adviser direct, control, and coordinate the activities of the broker-dealer or investment adviser.

(25) "Record," except in the phrases "of record," "official record," and "public record," means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(26) "Sale" includes every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value. Both terms include:

(A) a security given or delivered with, or as a bonus on account of, a purchase of securities or any other thing constituting part of the subject of the purchase and having been offered and sold for value;

(B) a gift of assessable stock involving an offer and sale; and

(C) a sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer and a sale or offer of a security that gives the holder a present or future right or privilege to convert the security into another

New definition - Principal place of business

New definition - Record

17-4-113(a)

(ix)(A) "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value;

(B) "Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value;

(C) Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value;

(D) A purported gift of assessable stock is considered to involve an offer and sale;

(E) Every sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, as well as every sale or offer of a security which gives the holder a present or future right or privilege to convert into

security of the same or another issuer, including an offer of the other security.

(27) "Securities and Exchange Commission" means the United States Securities and Exchange Commission.

(28) "Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term:

(A) includes both a certificated and an uncertificated security;

(B) does not include an insurance or endowment policy or annuity contract under which an insurance company promises to pay a fixed [or variable] sum of money either in a lump sum or periodically for life or other specified period;

(C) does not include an interest in a contributory or noncontributory pension or welfare plan subject to the Employee Retirement Income Security Act of 1974;

another security of the same or another issuer, is considered to include an offer of the other security;

(xi) "Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security

or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

"Security" does not include any insurance or endowment policy or annuity contract under which an insurance company promises to pay money either in a lump sum or periodically for life or for some other specified period;

New definition - Securities and Exchange Commission

Fractional undivided interest in oil, gas, or other mineral rights

Striking the word variable will include variable annuities under the definition of a security. Variable annuities would be exempt from registration, giving enforcement authority concerning sales practices only.

(D) includes as an “investment contract” an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a “common enterprise” means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors; and

(E) includes as an “investment contract,” among other contracts, an interest in a limited partnership and a limited liability company and an investment in a viatical settlement or similar agreement.

(29) “Self-regulatory organization” means a national securities exchange registered under the Securities Exchange Act of 1934, a national securities association of broker-dealers registered under the Securities Exchange Act of 1934, a clearing agency registered under the Securities Exchange Act of 1934, or the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934.

(30) “Sign” means, with present intent to authenticate or adopt a record:

(A) to execute or adopt a tangible symbol; or

(B) to attach or logically associate with the record an electronic symbol, sound, or process.

(31) “State” means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(xii) "State" means any state, territory, or possession of the United States, the District of Columbia and Puerto Rico;

New definition - Self-regulatory organization

New definition - Sign

<p><b>SECTION 103. REFERENCES TO FEDERAL STATUTES.</b> “Securities Act of 1933” (15 U.S.C. Section 77a et seq.), “Securities Exchange Act of 1934” (15 U.S.C. Section 78a et seq.), “Public Utility Holding Company Act of 1935” (15 U.S.C. Section 79 et seq.), “Investment Company Act of 1940” (15 U.S.C. Section 80a-1 et seq.), “Investment Advisers Act of 1940” (15 U.S.C. Section 80b-1 et seq.), “Employee Retirement Income Security Act of 1974” (29 U.S.C. Section 1001 et seq.), “National Housing Act” (12 U.S.C. Section 1701 et seq.), “Commodity Exchange Act” (7 U.S.C. Section 1 et seq.), “Internal Revenue Code” (26 U.S.C. Section 1 et seq.), “Securities Investor Protection Act of 1970” (15 U.S.C. Section 78aaa et seq.), “Securities Litigation Uniform Standards Act of 1998” (112 Stat. 3227), “Small Business Investment Act of 1958” (15 U.S.C. Section 661 et seq.), and “Electronic Signatures in Global and National Commerce Act” (15 U.S.C. Section 7001 et seq.) mean those statutes and the rules and regulations adopted under those statutes, as in effect on the date of enactment of this <del>Act</del> act <del>[, or as later amended]</del>.</p> <p><b>SECTION 104. REFERENCES TO FEDERAL AGENCIES.</b></p> <p>A reference in this <del>Act</del> act to an agency or department of the United States is also a reference to a successor agency or department.</p> <p><b>SECTION 105. ELECTRONIC RECORDS AND SIGNATURES.</b> This <del>Act</del> act modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, but does not modify, limit, or supersede Section 101(c) of that act (15 U.S.C. Section 7001(c)) or authorize electronic delivery of any of the notices described in Section 103(b) of that act (15 U.S.C. Section</p>	<p>17-4-113</p> <p>(x)"Securities Act of 1933", "Securities Exchange Act of 1934", "Public Utility Holding Company Act of 1935", and "Investment Company Act of 1940"</p> <p>17-4-113(x) coninuted</p> <p>mean the federal statutes of those names as amended before or after the effective date of this act;</p>	<p>No prior provision</p> <p>No prior provision - Purpose is to permit the filing of electronic signatures and electronic records</p>
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7003(b)). This ~~{Act}~~ act authorizes the filing of records and signatures, when specified by provisions of this ~~{Act}~~ act or by a rule adopted or order issued under this ~~{Act}~~ act, in a manner consistent with Section 104(a) of that act (15 U.S.C. Section 7004(a)).

# Article 2

New Securities Act	Current Wyoming Securities Act	Analysis
<p data-bbox="276 264 860 358"><b>ARTICLE 2 EXEMPTIONS FROM REGISTRATION OF SECURITIES</b></p> <p data-bbox="190 430 873 524"><b>SECTION 201. EXEMPT SECURITIES.</b> The following securities are exempt from the requirements of Sections 301 through 306 and 504:</p> <p data-bbox="190 565 927 894">(1) a security, including a revenue obligation or a separate security as defined in Rule 131 (17 C.F.R. 230.131) adopted under the Securities Act of 1933, issued, insured, or guaranteed by the United States; by a state; by a political subdivision of a state; by a public authority, agency, or instrumentality of one (1) or more states; by a political subdivision of one or more states; or by a person controlled or supervised by and acting as an instrumentality of the United States under authority granted by the Congress; or a certificate of deposit for any of the foregoing;</p> <p data-bbox="190 935 916 1094">(2) a security issued, insured, or guaranteed by a foreign government with which the United States maintains diplomatic relations, or any of its political subdivisions, if the security is recognized as a valid obligation by the issuer, insurer, or guarantor;</p> <p data-bbox="190 1135 900 1229">(3) a security issued by and representing or that will represent an interest in or a direct obligation of, or be guaranteed by:</p> <p data-bbox="333 1269 806 1299">(A) an international banking institution;</p> <p data-bbox="190 1339 927 1396">(B) a banking institution organized under the laws of the United States; a member bank of the Federal Reserve</p>	<p data-bbox="970 297 1688 358"><b>17-4-114. Exemptions from registration and literature filing requirements.</b></p> <p data-bbox="970 430 1669 492">(a) The following securities are exempted from W.S. 17-4-107 and 17-4-115:</p> <p data-bbox="1051 565 1623 594">(i) Any security (including a revenue obligation)</p> <p data-bbox="970 634 1712 729">issued or guaranteed by the United States, any state, any political subdivision of a state, or any agency or corporate or other instrumentality of one (1) or more</p> <p data-bbox="970 802 1701 863">of the foregoing; or any certificate of deposit for any of the foregoing;</p> <p data-bbox="970 904 1696 1128">(ii) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any such province, any agency or corporate or other instrumentality of one (1) or more of the foregoing, or any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor;</p> <p data-bbox="1091 1169 1432 1198">(iii) Any security issued by a</p> <p data-bbox="970 1269 1677 1331">state or national bank authorized to do business in the state;</p>	

System; or a depository institution a substantial portion of the business of which consists or will consist of receiving deposits or share accounts that are insured to the maximum amount authorized by statute by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, or a successor authorized by federal law or exercising fiduciary powers that are similar to those permitted for national banks under the authority of the Comptroller of Currency pursuant to Section 1 of Public Law 87-722 (12 U.S.C. Section 92a); or

(C) any other depository institution, unless by rule or order the administrator or secretary of state proceeds under Section 204;

(4) a security issued by and representing an interest in, or a debt of, or insured or guaranteed by, an insurance company authorized to do business in this state;

(5) a security issued or guaranteed by a railroad, other common carrier, public utility, or public utility holding company that is:

(A) regulated in respect to its rates and charges by the United States or a state;

(B) regulated in respect to the issuance or guarantee of the security by the United States, a state, Canada, or a Canadian province or territory; or

(C) a public utility holding company registered under the Public Utility Holding Company Act of 1935 or a

(iv) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state;

(v) Any security issued or guaranteed by any federal credit union or any credit union, industrial loan association, or similar association organized and supervised under the laws of this state;

(vi) Any security issued or guaranteed by any railroad, other common carrier, public utility, or holding company which is:

(C) Regulated in respect of its rates and charges by a governmental authority of the United States or any state; or

(D) Regulated in respect of the issuance or guarantee of the security by a governmental authority of the United States, any state, Canada, or any Canadian province.

(A) Subject to the jurisdiction of the interstate commerce commission;

(B) A registered holding company under the Public Utility Holding Company Act of 1935 or a subsidiary

Federal savings and loan associations and federal credit unions are included in banking institution.

subsidiary of such a registered holding company within the meaning of that act;

(6) a federal covered security specified in Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)) or by rule adopted under that provision or a security listed or approved for listing on another securities market specified by rule under this ~~Act~~ act; a put or a call option contract; a warrant; a subscription right on or with respect to such securities; or an option or similar derivative security on a security or an index of securities or foreign currencies issued by a clearing agency registered under the Securities Exchange Act of 1934 and listed or designated for trading on a national securities exchange, a facility of a national securities exchange, or a facility of a national securities association registered under the Securities Exchange Act of 1934 or an offer or sale, of the underlying security in connection with the offer, sale, or exercise of an option or other security that was exempt when the option or other security was written or issued; or an option or a derivative security designated by the Securities and Exchange Commission under Section 9(b) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78i(b));

of such a company within the meaning of that act;

(vii) Any security listed or approved for listing upon notice of issuance on the New York stock exchange, the American stock exchange or the National Association of Securities Dealers Automated Quotation National Market System (NASDAQ/NMS), the Chicago board options exchange or any other exchange or national quotation system that the secretary of state may designate by rule or order; any other security of the same issuer which is of senior or substantially equal rank; any security called for by subscription rights or warrants so listed or approved; or any warrant or right to purchase or subscribe to any of the foregoing; or any security which meets all of the following conditions:

(A) If the issuer is not organized under the laws of the United States or a state, it has appointed a duly authorized agent in the United States for service of process and has set forth the name and address of such agent in its prospectus;

(B) A class of the issuer's securities shall be registered under Section 12 of the Securities Exchange Act of 1934 and has been so registered for three (3) years immediately preceding the offering date;

(C) Neither the issuer nor a significant subsidiary has had a material default during the lesser of the last seven (7) years or the issuer's existence in the payment of principal, interest, dividend or sinking fund installment on preferred stock or indebtedness or rentals under leases with terms of three (3) years or more. A "material default" is a failure to pay, the effect of which is to cause indebtedness to become due

Archaic language

prior to its stated maturity or to cause termination or reentry under a lease prior to its stated expiration, if the indebtedness or the rental obligation for the unexpired term exceeds five percent (5%) of the issuer's (and its consolidated subsidiaries) total assets, or if the arrearage in required dividend payments on preferred stock is not satisfied within thirty (30) days;

(D) The issuer has had consolidated net income (before extraordinary items and the cumulative effect of accounting changes) of at least one million dollars (\$1,000,000.00) in four (4) of its last five (5) fiscal years, including its last fiscal year. In the case of interest-bearing debt securities, such net income for the issuer's last fiscal year before depreciation and taxes, shall be one and one-half (1 1/2) times the issuer's annual interest expense, giving effect to the proposed offering and the intended use of proceeds. "Last fiscal year" means the most recent fiscal year for which audited financial statements are available, provided that such statements cover a fiscal period ended not more than fifteen (15) months from the commencement of the offering;

(E) If the offering is of stock or shares (other than preferred stock or shares), the securities are owned beneficially or of record, on any date within six (6) months prior to the commencement of the offering, by at least one thousand two hundred (1,200) persons, and on that date there are at least seven hundred fifty thousand (750,000) of the shares outstanding with an aggregate market value, based on the average bid price, of at least three million seven hundred fifty thousand dollars (\$3,750,000.00). In determining the number of persons who are beneficial owners of the stock or shares of an issuer, the issuer or broker-dealer may rely in good faith upon written information furnished by the record owners;

(F) If the offering is of stock or shares (other than

(7) a security issued by a person organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, social, athletic, or reformatory purposes, or as a chamber of commerce, and not for pecuniary profit, no part of the net earnings of which inures to the benefit of a private stockholder or other person, or a security of a company that is excluded from the definition of an investment company under Section 3(c)(10)(B) of the Investment Company Act of 1940 (15 U.S.C. Section 80a-3(c)(10)(B)); except that with respect to the offer or sale of a note, bond, debenture, or other evidence of indebtedness issued by such a person, a rule may be adopted under this ~~Act~~ act limiting the availability of this exemption by classifying securities, persons, and transactions, imposing different requirements for different classes, specifying with respect to paragraph (B) the scope of the exemption and the grounds for denial or suspension, and requiring an issuer:

(A) to file a notice specifying the material terms of the proposed offer or sale and copies of any proposed sales and advertising literature to be used and provide that the exemption becomes effective if the administrator or secretary of state does not disallow the exemption within the period established by the

preferred stock or shares) and except as otherwise required by law, the securities have voting rights at least equal to the securities of each of the issuer's outstanding classes of stock or shares (other than preferred stock or shares), with respect to the number of votes per share and the right to vote on the same general corporate decisions;

(G) For good cause after hearing as held in accord with rules and regulations adopted in accord with the Wyoming Administrative Procedure Act and W.S. 17-4-124 the secretary of state may suspend applicability of any exemption provided in this section.

(viii) Any security issued by any person organized and operated not for private profit but exclusively for religious, educational, benevolent, charitable, fraternal, social, athletic, or reformatory purposes, or as a chamber of commerce or trade or professional association;

Rules may be adopted to classify and impose requirements if needed.

<p>rule;</p> <p>(B) to file a request for exemption authorization for which a rule under this <del>Act</del> act may specify the scope of the exemption, the requirement of an offering statement, the filing of sales and advertising literature, the filing of consent to service of process complying with Section 611, and grounds for denial or suspension of the exemption; or</p> <p>(C) to register under Section 304;</p> <p>(8) a member's or owner's interest in, or a retention certificate or like security given in lieu of a cash patronage dividend issued by, a cooperative organized and operated as a nonprofit membership cooperative under the cooperative laws of a state, but not a member's or owner's interest, retention certificate, or like security sold to persons other than bona fide members of the cooperative; and</p>	<p>(ix) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidences an obligation to pay cash within nine (9) months of the date of issuance, exclusive of days of grace, or any renewal of such paper which is likewise limited, or any guarantee of such paper or of any such renewal;</p> <p>(xii) Any security of any cooperative incorporated or organized under law of this or another state and qualified with the secretary of state to do business in this state, subject to the following:</p> <p>(A) No commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state; and</p> <p>(B) The security is necessary or incidental to establishing membership in the cooperative association; and</p> <p>(C) The security is nontransferable; or</p> <p>(D) The administrator is notified in writing at least thirty (30) days before the security is offered for sale. Notice under this subparagraph shall contain the form of disclosure or prospectus and other sales literature to be used in</p>	
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(9) an equipment trust certificate with respect to equipment leased or conditionally sold to a person, if any security issued by the person would be exempt under this section or would be a federal covered security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)).

**SECTION 202a. EXEMPT TRANSACTIONS.** The following transactions are exempt from the requirements of Sections 301 through 306 and 504:

(1) an isolated nonissuer transaction, whether effected by or through a broker-dealer or not;

(2) a nonissuer transaction by or through a broker-dealer registered, or exempt from registration under this ~~Act~~ act, and a resale transaction by a sponsor of a unit investment

trust registered under the Investment Company Act of 1940, in a security of a class that has been outstanding in the hands of the public for at least 90 days, if, at the date of the transaction:

the security offering together with financial statements in a form required by the administrator.

17-4-114

(b) The following transactions are exempt from W.S. 17-4-107 and 17-4-115:

(i) Any isolated nonissuer transaction, whether effected through a broker-dealer or not;

(ii) Any nonissuer distribution of an outstanding security if:

17-4-114(a)(xi)

(B) The sponsor of a unit investment trust that sponsors a unit investment trust that offers or sells shares in Wyoming files a notice to claim this exemption and pays a fee of one hundred dollars (\$100.00).

17-4-114(a)

(xi) Any security of an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 through 80a-64) provided:

(A) The issuer of an open-end management company that offers or sells shares in Wyoming files a notice to claim this exemption and pays an annual fee of one hundred dollars (\$100.00) within sixty (60) days of the company's fiscal year end;

No prior provision

(A) the issuer of the security is engaged in business, the issuer is not in the organizational stage or in bankruptcy or receivership, and the issuer is not a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person;

(B) the security is sold at a price reasonably related to its current market price;

(C) the security does not constitute the whole or part of an unsold allotment to, or a subscription or participation by, the broker-dealer as an underwriter of the security or a redistribution;

(D) a nationally recognized securities manual or its electronic equivalent designated by rule adopted or order issued under this ~~Act~~ act or a record filed with the Securities and Exchange Commission that is publicly available contains:

(i) a description of the business and operations of the issuer;

(ii) the names of the issuer's executive officers and the names of the issuer's directors, if any;

(iii) an audited balance sheet of the issuer as of a date within eighteen (18) months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had an audited balance sheet, a pro forma balance sheet for the combined organization; and

(iv) an audited income statement for each of the

17-4-114(b)(ii)

(A) A recognized securities manual

contains

the names of the issuer's officers and directors

, a balance sheet of the issuer as of a date within eighteen (18) months, and a profit and loss statement for either the fiscal year preceding that date or the most recent year of operations; or

issuer's two immediately previous fiscal years or for the period of existence of the issuer, whichever is shorter, or, in the case of a reorganization or merger when each party to the reorganization or merger had audited income statements, a pro forma income statement; and

(E) any one of the following requirements is met:

(i) the issuer of the security has a class of equity securities listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934 or designated for trading on the National Association of Securities Dealers Automated Quotation System;

(ii) the issuer of the security is a unit investment trust registered under the Investment Company Act of 1940;

(iii) the issuer of the security, including its predecessors, has been engaged in continuous business for at least three (3) years; or

(iv) the issuer of the security has total assets of at least \$2,000,000 based on an audited balance sheet as of a date within 18 months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had such an audited balance sheet, a pro forma balance sheet for the combined organization;

(3) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this Act in a security of a foreign issuer that is a margin security defined in regulations or rules adopted by the Board of Governors of the Federal Reserve System;

No prior provision – foreign transactions

<p>(4) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this [Act] act in an outstanding security if the guarantor of the security files reports with the Securities and Exchange Commission under the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d));</p> <p>(5) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this [Act] act in a security that:</p> <p>(A) is rated at the time of the transaction by a nationally recognized statistical rating organization in one of its four highest rating categories; or</p> <p>(B) has a fixed maturity or a fixed interest or dividend, if:</p> <p>(i) a default has not occurred during the current fiscal year or within the three (3) previous fiscal years or during the existence of the issuer and any predecessor if less than three(3) fiscal years, in the payment of principal, interest, or dividends on the security; and</p> <p>(ii) the issuer is engaged in business, is not in the organizational stage or in bankruptcy or receivership, and is not and has not been within the previous 12 months a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person;</p> <p>(6) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this [Act] act effecting an unsolicited order or offer to purchase;</p>	<p>17-4-114(b)(ii)  <b>(B) The security has a fixed maturity or a fixed interest or dividend provision and there has been no default during the current fiscal year or within the three (3) preceding fiscal years, or during the existence of the issuer and any predecessors if less than three (3) years, in the payment of principal, interest, or dividends on the security.</b></p> <p>17-4-114(b)  (iii) <b>Any nonissuer transaction effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to buy; but the secretary of state may by rule</b></p>	<p>No prior provision – SEC reporting requirements</p>
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(7) a nonissuer transaction executed by a bona fide pledgee without the purpose of evading this ~~Act~~ act;

(8) a nonissuer transaction by a federal covered investment adviser with investments under management in excess of \$100,000,000 acting in the exercise of discretionary authority in a signed record for the account of others;

(9) a transaction in a security, whether or not the security or transaction is otherwise exempt, in exchange for one or more bona fide outstanding securities, claims, or property interests, or partly in such exchange and partly for cash, if the terms and conditions of the issuance and exchange or the delivery and exchange and the fairness of the terms and conditions have been approved by the administrator ~~secretary~~ of state after a hearing;

(10) a transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters;

(11) a transaction in a note, bond, debenture, or other evidence of indebtedness secured by a mortgage or other security agreement if:

(A) the note, bond, debenture, or other evidence of indebtedness is offered and sold with the mortgage or other security agreement as a unit;

(B) a general solicitation or general advertisement of the transaction is not made; and

require that the customer acknowledge upon a specified form that the sale was unsolicited, and that a signed copy of each such form be preserved by the broker-dealer for a specified period;

(vii) Any transaction executed by a bona fide pledgee without any purpose of evading this act;

(iv) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters;

(v) Any transaction in a bond or other evidence of indebtedness secured by a real or chattel mortgage or deed of trust, or by an agreement for the sale of real estate or chattels, if the entire mortgage, deed of trust, or agreement, together with all the bonds or other evidences of indebtedness secured thereby, is offered and sold as a unit;

No prior provision – federal covered investment advisers

No prior provision – specified exchange transactions

(C) a commission or other remuneration is not paid or given, directly or indirectly, to a person not registered under this [Act] act as a broker-dealer or as an agent;

(12) a transaction by an executor, administrator of an estate, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator;

(13) a sale or offer to sell to:

(A) an institutional investor;

(B) a federal covered investment adviser; or

(C) any other person exempted by rule adopted or order issued under this [Act] act;

(14) a sale or an offer to sell securities of an issuer, if the transaction is part of a single issue in which:

(A) not more than 25 purchasers are present in this state during any twelve (12) consecutive months, other than those designated in paragraph (13);

(B) a general solicitation or general advertising is not made in connection with the offer to sell or sale of the securities;

(C) a commission or other remuneration is not paid or given, directly or indirectly, to a person other than a broker-dealer registered under this [Act] act or an agent registered under this [Act] act for soliciting a prospective purchaser in this state; and

(vi) Any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator;

(viii) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity;

(ix) Any transaction pursuant to an offer directed by the offeror to not more than fifteen (15) persons (other than those designated in paragraph (viii) of this subsection) in this state during any period of twelve (12) consecutive months, whether or not the offeror or any of the offerees is then present in this state, if

(B) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in paragraph (viii) of this subsection); but, upon application of the offeror and payment of a filing fee of two hundred dollars (\$200.00), the secretary of state may by rule or order, as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase or decrease the number of offerees permitted, or waive the conditions in clauses (A) and (B) with or without the substitution of a

Change to 25 purchasers

(D) the issuer reasonably believes that all the purchasers in this state, other than those designated in paragraph (13), are purchasing for investment;

(15) a transaction under an offer to existing security holders of the issuer, including persons that at the date of the transaction are holders of convertible securities, options, or warrants, if a commission or other remuneration, other than a standby commission, is not paid or given, directly or indirectly, for soliciting a security holder in this state;

(16) an offer to sell, but not a sale, of a security not exempt from registration under the Securities Act of 1933 if:

(A) a registration or offering statement or similar record as required under the Securities Act of 1933 has been filed, but is not effective, or the offer is made in compliance with Rule 165 adopted under the Securities Act of 1933 (17 C.F.R. 230.165); and

(B) a stop order of which the offeror is aware has not been issued against the offeror by the administrator

limitation on remuneration;

(A) the seller reasonably believes that all the buyers in this state (other than those designated in paragraph (viii) of this subsection) are purchasing for investment and

(x) Any offer or sale of a preorganization certificate or subscription if (A) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber, (B) the number of subscribers does not exceed fifteen (15) and (C) no payment is made by any subscriber;

(xi) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than ninety (90) days of their issuance, if (A) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state, or (B) the issuer first files a notice specifying the terms of the offer and the secretary of state does not by order disallow the exemption within the next five (5) full business days;

(xii) Any offer (but not a sale) of a security for which registration statements have been filed under both this act and the Securities Act of 1933

(xii) continued

secretary of state or the Securities and Exchange Commission, and an audit, inspection, or proceeding that is public and that may culminate in a stop order is not known by the offeror to be pending;

(17) an offer to sell, but not a sale, of a security exempt from registration under the Securities Act of 1933 if:

(A) a registration statement has been filed under this [Act] act, but is not effective;

(B) a solicitation of interest is provided in a record to offerees in compliance with a rule adopted by the administrator secretary of state under this [Act] act; and

(C) a stop order of which the offeror is aware has not been issued by the administrator secretary of state under this [Act] act and an audit, inspection, or proceeding that may culminate in a stop order is not known by the offeror to be pending;

if no stop order or refusal is in effect and no public proceeding or examination looking toward such an order is pending under either act;

17-4-114(b)

(xiii) Any offer (but not a sale) of a security made by or on behalf of an issuer for the sole purpose of soliciting an indication of interest in receiving a prospectus or its equivalent for the security pursuant to rules promulgated by the secretary of state; or

(xiv) Any offer (but not a sale) of a security made on or through the Internet, the World Wide Web or a similar proprietary or common carrier electronic system, provided:

(A) The offer indicates, directly or indirectly, that the security is not being offered to residents of Wyoming;

(B) The offer is not specifically directed to any person in Wyoming by, or on behalf of, the issuer of the security; and

(C) No sales of the issuer's security are made in Wyoming as a result of the offer until such time as the security being offered has been registered under this chapter and a final prospectus or form U-7 is delivered to the offeree prior to such sale.

(18) a transaction involving the distribution of the securities of an issuer to the security holders of another person in connection with a merger, consolidation, exchange of securities, sale of assets, or other reorganization to which the issuer, or its parent or subsidiary and the other person, or its parent or subsidiary, are parties;

(19) a rescission offer, sale, or purchase under Section 510;

(20) an offer or sale of a security to a person not a resident of this state and not present in this state if the offer or sale does not constitute a violation of the laws of the state or foreign jurisdiction in which the offeree or purchaser is present and is not part of an unlawful plan or scheme to evade this [Act] act;

(21) employees' stock purchase, savings, option, profit-sharing, pension, or similar employees' benefit plan, including any securities, plan interests, and guarantees issued under a compensatory benefit plan or compensation contract, contained in a record, established by the issuer, its parents, its majority-owned subsidiaries, or the majority-owned subsidiaries of the issuer's parent for the participation of their employees including offers or sales of such securities to:

(A) directors; general partners; trustees, if the issuer is a business trust; officers; consultants; and advisors;

(B) family members who acquire such securities from those persons through gifts or domestic relations orders;

17-4-113(a)(ix)(F)

(III) Any act incident to a class vote by stockholders, pursuant to the certificate of incorporation or the applicable corporation statute, on a merger, consolidation, reclassification of securities, or sale of corporate assets in consideration of the issuance of securities of another corporation; or

(xv) An offer or sale of a security effected by a person excluded from the definition of broker-dealer under W.S. 17-4-113(a)(iii)(E).

17-4-114(a)

(x) Any investment contract issued in connection with an employee stock purchase, savings, pension, profit sharing, or similar benefit plan if the administrator is notified in writing thirty (30) days before the inception of the plan or with respect to plans which are in effect on the effective date of this act, within sixty (60) days thereafter (or within thirty (30) days before they are reopened if they are closed on the effective date of this act);

No prior provision – rescission offer

Out of state offers or sales

(C) former employees, directors, general partners, trustees, officers, consultants, and advisors if those individuals were employed by or providing services to the issuer when the securities were offered; and

(D) insurance agents who are exclusive insurance agents of the issuer, or the issuer's subsidiaries or parents, or who derive more than 50 percent of their annual income from those organizations;

(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 Rule 162 adopted under the Securities Act of 1933 (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 [Act] act, if the issuer is a reporting

17-4-113(a)(ix)

(F) The terms defined in this subsection do not include:

(I) Any bona fide pledge or loan;

(II) Any stock dividend, whether the corporation distributing the dividend is the issuer of the stock or not, if nothing of value is given by stockholders for the dividend other than the surrender of a right to a cash or property dividend when each stockholder may elect to take the dividend in cash or property or in stock;

17-4-113(a)(ix)(F)

(IV) Any act incident to a judicially approved reorganization in which a security is issued in exchange for one (1) or more outstanding securities, claims, or property interests, or partly in such exchange and partly for cash.

Nonissuer transaction involving specified foreign issuer

<p>issuer in a foreign jurisdiction designated by this paragraph or by rule adopted or order issued under this <del>{Act}</del> act; 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 paragraph or by rule adopted or order issued under this <del>{Act}</del> act, 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 paragraph, 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 <del>{the state administrative procedure act}</del> the <i>Wyoming Administrative Procedure Act</i>, the <del>administrator</del> <i>secretary of state</i>, by rule adopted or order issued under this <del>{Act}</del> act, may revoke the designation of a securities exchange under this paragraph, if the <del>administrator</del> <i>secretary of state</i> finds that revocation is necessary or appropriate in the public interest and for the protection of investors.</p> <p style="text-align: center;"><b><i>SECTION 202b. INTRASTATE CROWDFUNDING EXEMPTION.</i></b></p> <p><i>(1) Except as otherwise provided in this act, an offer or sale of a security by an issuer is exempt from the requirements of sections 301 to 306 and 504 if the offer or sale meets all of the following requirements:</i></p> <p><i>(A) The issuer of the security is an entity that is incorporated or organized under the laws of this state and is authorized to do business in this state.</i></p>		<p>securities traded on designated securities exchanges – Toronto Stock Exchange</p> <p>NEW Crowdfunding Exemption Wyoming Invests Now (WIN) Exemption -Working title</p> <p>Refers to Title III of the JOBS Act – Crowdfunding. Adapted for intrastate offerings only.</p>
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*(B) The transaction meets the requirements for the federal exemption for intrastate offerings under section 3(a)(11) of the securities act of 1933, 15 USC 77c(a)(11), and SEC rule 147, 17 CFR 230.147, including, but not limited to, the requirements for determining whether an offeree or purchaser is a resident of this state. All of the following apply concerning these requirements:*

*(i) Each of the following is prima facie evidence that an individual is a resident of this state:*

*(a) A valid operator's license, chauffeur's license, or official personal identification card issued by this state.*

*(b) A current Wyoming voter registration.*

*(c) Is a resident of this state as defined by W.S 22-1-102(xxx).*

*(d) Any other record or documents issued by this state that establishes that the purchaser's principal residence is in this state.*

*(ii) The provisions of SEC rule 147, 17 CFR 230.147, apply in determining the residency of an offeree or purchaser that is a corporation, partnership, trust, or other form of business organization.*

*(iii) If a purchaser of a security that is exempt under this section resells that security within 9 months after the closing of the particular offering in which the purchaser obtained that security to a person that is not a resident of this state, the original investment agreement between the issuer and the purchaser is void. If an agreement to purchase, or the*

*purchase of, a security is void under this subparagraph, the issuer may recover damages from the misrepresenting offeree or purchaser. These damages include, but are not limited to, the issuer's expenses in resolving the misrepresentation. However, damages described in this subparagraph shall not exceed the amount of the person's investment in the security.*

*(C) The sum of all cash and other consideration to be received for all sales of the security in reliance on this exemption does not exceed the following amounts:*

*(i) One million dollars, less the aggregate amount received for all sales of securities by the issuer within the 12 months before the first offer or sale made in reliance on this exemption, if the issuer has not made available to each prospective purchaser and the secretary of state audited financial statements or reviewed financial statements for the issuer's most recently completed fiscal year, prepared by a certified public accountant, as defined by W.S. 33-3-109, in accordance with the statements on auditing standards of the American institute of certified public accountants or the statements on standards for accounting and review services of the American institute of certified public accountants, as applicable.*

*(ii) Two million dollars, less the aggregate amount received for all sales of securities by the issuer within the 12 months before the first offer or sale made in reliance on this exemption, if the issuer has made available to each prospective purchaser and the secretary of state audited financial statements or reviewed financial statements for the issuer's most recently completed fiscal year, prepared by a certified public accountant, as defined by W.S. 33-3-109, in accordance with the statements on auditing standards of the American institute of certified public accountants or the statements on standards for accounting and review services of*

*the American institute of certified public accountants, as applicable.*

*(D) The issuer has not accepted more than \$5,000 from any single purchaser unless the purchaser is an accredited investor as defined by rule 501 of SEC regulation D, 17 CFR 230.501. The issuer may rely on confirmation that the purchaser is an accredited investor from a licensed broker-dealer or another third party in making a determination that the purchaser is an accredited investor.*

*(E) At least 10 days before an offer of securities is made in reliance on this exemption or the use of any publicly available website in connection with an offering of securities in reliance on this exemption, the issuer files a notice with the secretary of state, in writing or in electronic form as specified by the secretary of state, that contains all of the following:*

*(i) A notice of claim of exemption from registration, specifying that the issuer intends to conduct an offering in reliance on this exemption, accompanied by the filing fee specified in this section.*

*(ii) A copy of the disclosure statement to be provided to prospective investors in connection with the offering. The disclosure statement must contain all of the following:*

*(a) A description of the issuer, including its type of entity, the address and telephone number of its principal office, its formation history, its business plan, and the intended use of the offering proceeds, including any amounts to be paid, as compensation or otherwise, to any owner, executive officer, director, managing member, or other person occupying a similar status or performing similar functions on behalf of the issuer.*

(b) The identity of each person that owns more than 10% of the ownership interests of any class of securities of the issuer.

(c) The identity of the executive officers, directors, and managing members of the issuer, and any other individuals who occupy similar status or perform similar functions in the name of and on behalf of the issuer, including their titles and their prior experience.

(d) The terms and conditions of the securities being offered and of any outstanding securities of the issuer, the minimum and maximum amount of securities being offered, if any, and either the percentage ownership of the issuer represented by the offered securities or the valuation of the issuer implied by the price of the offered securities.

(e) The identity of any person that the issuer has or intends to retain to assist the issuer in conducting the offering and sale of the securities, including the owner of any websites, if known, but excluding any person acting solely as an accountant or attorney and any employees whose primary job responsibilities involve the operating business of the issuer rather than assisting the issuer in raising capital, and for each person identified in response to this sub-subparagraph, a description of the consideration being paid to that person for that assistance.

(f) A description of any litigation or legal proceedings involving the issuer or its management.

(g) The name and address of any website that the issuer intends to use in connection with the offering, including its uniform resource locator or URL. If the issuer has not engaged a website described in this sub-subparagraph at

*the time the issuer files the disclosure statement described in this subparagraph with the secretary of state under this subdivision but subsequently does engage a website for use in connection with the offering, the issuer shall provide the information described in this sub-subparagraph to the secretary of state by filing a supplemental notice.*

*(iii) An escrow agreement with a bank or other depository institution located in this state, in which the purchaser funds will be deposited, that provides that all offering proceeds will be released to the issuer only when the aggregate capital raised from all purchasers is equal to or greater than the minimum target offering amount specified in the disclosure statement as necessary to implement the business plan and that all purchasers will receive a return of their subscription funds if that target offering amount is not raised by the time stated in the disclosure statement. The bank or other depository institution may contract with the issuer to collect reasonable fees for its escrow services regardless of whether the target offering amount is reached.*

*(F) The issuer is not, either before or as a result of the offering, an investment company, as defined in section 3 of the investment company act of 1940, 15 USC 80a-3, or an entity that would be an investment company but for the exclusions provided in subsection (c) of that section, or subject to the reporting requirements of section 13 or 15(d) of the securities exchange act of 1934, 15 USC 78m and 78o(d).*

*(G) The issuer informs each prospective purchaser that the securities are not registered under federal or state securities laws and that the securities are subject to limitations on transfer or resale and displays the following legend conspicuously on the cover page of the disclosure statement:*

***“IN MAKING AN INVESTMENT DECISION, PURCHASERS***

*MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION (E) OF SEC RULE 147, 17 CFR 230.147(E), AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.”.*

*(H) The issuer requires each purchaser to certify in writing, and to include as part of that certification his or her signature, and his or her initials next to each paragraph of the certification, as follows: “I understand and acknowledge that:*

*I am investing in a high-risk, speculative business venture. I may lose all of my investment, and I can afford the loss of my investment. This offering has not been reviewed or approved by any state or federal securities commission or other regulatory authority and that no regulatory authority has confirmed the accuracy or determined the adequacy of any disclosure made to me relating to this offering.*

*The securities I am acquiring in this offering are illiquid, that*

*the securities are subject to possible dilution, that there is no ready market for the sale of those securities, that it may be difficult or impossible for me to sell or otherwise dispose of this investment, and that, accordingly, I may be required to hold this investment indefinitely.*

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

*By entering into this transaction with the issuer, I am affirmatively representing myself as being a Wyoming resident at the time that this contract is formed, and if this representation is subsequently shown to be false, the contract is void.*

*If I resell any of the securities I am acquiring in this offering to a person that is not a Wyoming resident, within 9 months after the closing of the offering, my contract with the issuer for the purchase of these securities is void.”.*

*(I) If the offer and sale of securities under this section is made through an internet website, all of the following requirements must be met:*

*(i) Before any offer of an investment opportunity to residents of this state through the use of a website, the issuer provides to the website and to the secretary of state evidence that the issuer is organized under the laws of this state and that it is authorized to do business in this state.*

*(ii) The issuer obtains from each purchaser of a security under this section evidence that the purchaser is a resident of this state and, if applicable, an accredited investor.*

(iii) The website operator files a written notice with the secretary of state that includes the website operator's name, business address, and contact information and states that it is authorized to do business in this state and is being utilized to offer and sell securities under this exemption. Beginning 12 months after the date of the written notice, a website operator that has filed a written notice under this subparagraph shall annually notify the secretary of state in writing of any changes in the information provided to the secretary of state under this subparagraph and shall pay a renewal fee.

(iv) The issuer and the website keep and maintain records of the offers and sales of securities made through the website and provide ready access to the records to the secretary of state on request. The secretary of state may access, inspect, and review any website described in this subdivision and its records.

(J) All payments for the purchase of securities are directed to and held by the bank or depository institution subject to the provisions of subdivision (E)(iii).

(K) Offers or sales of a security are not made through an internet website unless the website has filed the written notice required under subdivision (I)(iii) with the secretary of state

(L) The issuer does not pay, directly or indirectly, any commission or remuneration to an executive officer, director, managing member, or other individual who has a similar status or performs similar functions in the name of and on behalf of the issuer for offering or selling the securities unless he or she is registered as a broker-dealer, investment adviser, or investment adviser representative under article 4. An executive officer, director, managing member, or other individual who has a similar status or performs similar functions in the name

*of and on behalf of the issuer is exempt from the registration requirements under article 4 if he or she does not receive, directly or indirectly, any commission or remuneration for offering or selling securities of the issuer that are exempt from registration under this section.*

*(M) The issuer provides a copy of the disclosure statement provided to the secretary of state under subdivision (E)(ii) to each prospective purchaser at the time the offer of securities is made to the prospective purchaser. In addition to the information described in subdivision (E)(ii), the disclosure statement provided to the secretary of state and to prospective purchasers shall include additional information material to the offering, including, where appropriate, a discussion of significant factors that make the offering speculative or risky. This discussion must be concise and organized logically and should not present risks that could apply to any issuer or any offering.*

*(N) The term of the offering does not exceed 12 months after the date of the first offer.*

*(2) If the offer and sale of a security of an issuer is exempt under this section, the issuer shall provide a quarterly report to the issuer's purchasers until none of the securities issued under this section are outstanding. All of the following apply to the quarterly report described in this subsection:*

*(A) The issuer shall provide the report free of charge to the purchasers.*

*(B) An issuer may satisfy the report requirement under this subsection by making the information available on an internet website if the information is made available within 45 days after the end of each fiscal quarter and remains available until the next quarterly report is issued.*

*(C) The issuer shall file each report with the secretary of state and must provide a written copy of the report to any purchaser on request.*

*(D) The report must include all of the following:*

*(i) The compensation received by each director and executive officer of the issuer, including cash compensation earned since the previous report and on an annual basis and any bonuses, stock options, other rights to receive securities of the issuer or any affiliate of the issuer, or other compensation received.*

*(ii) An analysis by management of the issuer of the business operations and financial condition of the issuer.*

*(3) The exemption provided in this section shall not be used in conjunction with any other exemption under this article, except offers and sales to controlling persons shall not count toward the limitation in subsection (1)(C).*

*(4) The exemption described in this section does not apply if an issuer or person that is affiliated with the issuer or offering is subject to any disqualification established by the secretary of state by rule or contained in rule 262 as promulgated under the securities act of 1933, 17 CFR 230.262. However, this subsection does not apply if both of the following are met:*

*(A) On a showing of good cause and without prejudice to any other action by the secretary of state, the secretary of state determines that it is not necessary under the circumstances that an exemption be denied.*

*(B) The issuer establishes that it made factual inquiry*

into whether any disqualification existed under this subsection but did not know, and in the exercise of reasonable care could not have known, that a disqualification existed under this subsection. The nature and scope of the requisite inquiry will vary based on the circumstances of the issuer and the other offering participants.

(5) The secretary of state may adopt rules to implement the provisions of this section and to protect purchasers that purchase securities that are exempt from registration under this section.

(6) the secretary of state shall charge a nonrefundable filing fee for filing an exemption notice required under subsection (1) according to the following conditions:

(A) If the offering is being made by the issuer the filing fee is \$200.

(B) Internet websites filing written notice shall pay a filing fee of \$100, for a period of 12 consecutive months following the date of written notice. Internet websites may file renewal notices every 12 months accompanied by a \$100 renewal fee.

(7) A website through which an offer or sale of securities under this section is made is not subject to the broker-dealer, investment adviser, or investment adviser representative registration requirements under article 4 if the website meets all of the following conditions:

(A) It does not offer investment advice or recommendations.

(B) It does not solicit purchases, sales, or offers to buy the securities offered or displayed on the website.

(C) It does not compensate employees, agents, or other persons for the solicitation or based on the sale of securities displayed or referenced on the website.

(D) It does not hold, manage, possess, or otherwise handle purchaser funds or securities.

(E) It does not engage in any other activities that the secretary of state by rule determines are inappropriate for an exemption from the registration requirements under article 4.

(8) Except for section 504, article 5 applies to a violation of this section, including a violation concerning website operation.

(9) As used in this section, “controlling person” means an officer, director, partner, or trustee, or another individual who has similar status or performs similar functions, of or for the issuer or to a person that owns 10% or more of the outstanding shares of any class or classes of securities of the issuer.

(10) The exemption described in this section may be referred to as the “Wyoming Invests Now (WIN) exemption”.

**SECTION 203. ADDITIONAL EXEMPTIONS AND WAIVERS.** A rule adopted or order issued under this ~~{Act}~~ act may exempt a security, transaction, or offer; a rule under this ~~{Act}~~ act may exempt a class of securities, transactions, or offers from any or all of the requirements of Sections 301 through 306 and 504; and an order under this ~~{Act}~~ act may waive, in whole or in part, any or all of the conditions for an exemption or offer under Sections 201 and 202.

No prior provision – authority to adopt by rule or order new exemptions as circumstances warrant

**SECTION 204. DENIAL, SUSPENSION, REVOCATION, CONDITION, OR LIMITATION OF EXEMPTIONS.**

(a) [Enforcement related powers.] Except with respect to a federal covered security or a transaction involving a federal covered security, an order under this ~~Act~~ act may deny, suspend application of, condition, limit, or revoke an exemption created under Section 201(3)(C), (7) or (8) or 202 or an exemption or waiver created under Section 203 with respect to a specific security, transaction, or offer. An order under this section may be issued only pursuant to the procedures in Section 306(d) or 604 and only prospectively.

(b) [Knowledge of order required.] A person does not violate Section 301, 303 through 306, 504, or 510 by an offer to sell, offer to purchase, sale, or purchase effected after the entry of an order issued under this section if the person did not know, and in the exercise of reasonable care could not have known, of the order.

17-4-114

(c) The secretary of state may by order deny or revoke any exemption specified in paragraph (ix) or (x) of subsection (a) or in subsection (b) of this section with respect to a specific security or transaction. No such order may be entered without appropriate prior notice to all interested parties, opportunity for hearing, and written findings of fact and conclusions of law, except that the secretary of state may by order summarily deny or revoke any of the specified exemptions pending final determination of any proceeding under this subsection. Upon the entry of a summary order, the secretary of state shall promptly notify all interested parties that it has been entered and of the reasons therefor and that within fifteen (15) days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the administrator, the order will remain in effect until it is modified or vacated by the secretary of state. If a hearing is requested or ordered, the secretary of state after notice of and opportunity for hearing to all interested persons may modify or vacate the order or extend it until final determination. No order under this subsection may operate retroactively. No person may be considered to have violated W.S. 17-4-107 or 17-4-115 by reason of any offer or sale effected after the entry of an order under this subsection if he sustains the burden of proof that he did not know, and in the exercise of reasonable care could not have known, of the order.

# Article 3

## New Securities Act

### ARTICLE 3 REGISTRATION OF SECURITIES AND NOTICE FILING OF FEDERAL COVERED SECURITIES

#### SECTION 301. SECURITIES REGISTRATION REQUIREMENT.

It is unlawful for a person to offer or sell a security in this state unless:

- (1) the security is a federal covered security;
- (2) the security, transaction, or offer is exempted from registration under Sections 201 through 203; or
- (3) the security is registered under this ~~Act~~ act.

#### SECTION 302. NOTICE FILING.

(a) [Required filing of records.] With respect to a federal covered security, as defined in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not otherwise exempt under Sections 201 through 203, a rule adopted or order issued under this ~~Act~~ act may require the filing of any or all of the following records:

(1) before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and a consent to service of process complying with Section 611 signed by the issuer and the payment of a fee of \$[ ] two hundred dollars (\$200.00);

## Current Wyoming Securities Act

### 17-4-107. Registration of securities; required; exception for exemptions.

(a) It is unlawful for any person to offer or sell any security in this state unless:

(iii) It is a covered security.

(ii) The security or transaction is exempted under W.S. 17-4-114; or

(i) It is registered under this chapter;

### 17-4-132. Federal covered securities.

(a) The secretary of state

\*with respect to a covered security under section 18(b)(2) of the Securities Act of 1933:

\*by rule or order, may require the filing of any or all of the following documents

(i) Prior to the initial offer of such covered security in this state, all documents that are part of a federal registration statement filed with the United States Securities and Exchange Commission under the Securities Act of 1933, together with a consent to service of process signed by the issuer and with a fee of one-fiftieth of one percent (.0002%) of the total dollar offering amount to be offered in this state, but the fee shall in no case be less than two hundred dollars (\$200.00) nor more than

## Analysis

Per Chapter 9, Section 1 of the Wyoming Securities Rules and Regulations –The Investment Company Notice Filing fee is \$200

<p>(2) after the initial offer of <b>the federal</b> covered security in this state, all <b>records</b> that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933; <b>and</b></p> <p>(3) to the extent necessary or appropriate to <b>compute fees</b>, a report of the value of the federal covered securities sold or offered to <b>persons present</b> in this state, if the sales data are not included in records filed with the Securities and Exchange Commission and payment of a fee of \$[ ] <i>as set by rule</i>.</p> <p>(b) <b>[Notice filing effectiveness and renewal.]</b> A notice filing under subsection (a) is effective for one year commencing on the later of the notice filing or the effectiveness of the offering filed with the Securities and Exchange Commission. On or before expiration, the issuer may renew a notice filing by filing a copy of those records filed by the issuer with the Securities and Exchange Commission that are required by rule or order under this <b>{Act}</b> act to be filed and by paying a renewal fee of \$[ ] <i>as set by rule</i>. A previously filed consent to service of process complying with Section 611 may be incorporated by reference in a renewal. A renewed notice filing becomes effective upon the expiration of the filing being renewed.</p> <p>(c) <b>[Notice filings for federal covered securities under Section 18(b)(4)(D).]</b> With respect to a security that is a <b>federal</b> covered security under Section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this <b>{Act}</b> act may require a notice filing by or on behalf of an issuer to include a copy of Form D, including the Appendix, as promulgated by the Securities and Exchange Commission, and a consent to service of process <b>complying</b></p>	<p><b>six hundred dollars (\$600.00);</b></p> <p>(ii) After the initial offer of <b>such</b> covered security in this state, all <b>documents</b> that are part of an amendment to a federal registration statement filed with the <b>United States</b> Securities and Exchange Commission under the Securities Act of 1933 <b>which shall be filed concurrently with the secretary of state;</b></p> <p>(iii) A report of the value of <b>such</b> covered securities offered or sold in this state if the <b>secretary of state</b> by rule <b>or order</b> requires.</p> <p>(b) With respect to <b>any</b> security that is a covered security under section 18(b)(4)(D) of the Securities Act of 1933, <b>the secretary of state, by rule or order,</b> may require <b>the</b> issuer to <b>file a notice on SEC Form D</b> and</p> <p>a consent to service of process signed by the issuer no</p>	<p>Per Chapter 9, Section 1 of the Wyoming Securities Rules and Regulations – After initial filing is made for Investment Companies, notice filing is again to be made every other year thereafter on the fund’s fiscal year end</p>
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with Section 611 signed by the issuer not later than fifteen (15) days after the first sale of the federal covered security in this state and the payment of a fee of \$[ ] as set by rule; and the payment of a fee of \$[ ] for any late filing as set by rule.

(d) [Stop orders.] Except with respect to a federal security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator-secretary of state finds that there is a failure to comply with a notice or fee requirement of this section, the administrator-secretary of state may issue a stop order suspending the offer and sale of a federal covered security in this state. If the deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the administrator-secretary of state.

### SECTION 303. SECURITIES REGISTRATION BY COORDINATION.

(a) [Registration permitted.] A security for which a registration statement has been filed under the Securities Act of 1933 in connection with the same offering may be registered by coordination under this section.

(b) [Required records.] A registration statement and accompanying records under this section must contain or be accompanied by the following records in addition to the information specified in Section 305 and a consent to service of process complying with Section 611:

later than fifteen (15) days after the first sale of such covered security in this state, together with a filing fee as set by rule.

(c) The secretary of state, by rule or order, may require the filing of any document filed with the United States Securities and Exchange Commission under the Securities Act of 1933 with respect to a covered security under section 18(b)(3) or (4) of the Securities Act of 1933.

(d)...  
\*except a covered security under section 18(b)(1) of the Securities Act of 1933, if it finds that:

- (i) The order is in the public interest; and
- (ii) There is a failure to comply with any condition established under this section.

\* The secretary of state may issue a stop order suspending the offer and sale of a covered security,

### 17-4-109. Registration of securities; registration by coordination.

(a) Any security for which a registration statement has been filed under the Securities Act of 1933, or for which a filing has been made pursuant to section 3(b) or 3(c) of that act, in connection with the same offering may be registered by coordination.

(b) A registration statement under this section shall contain the following information and be accompanied by the following documents in addition to the information specified in W.S. 17-4-111(c) and the consent to service of process required by W.S. 17-4-126;

<p>(1) a copy of the latest form of prospectus filed under the Securities Act of 1933;</p> <p>(2) a copy of the articles of incorporation and bylaws or their substantial equivalents currently in effect; a copy of any agreement with or among underwriters; a copy of any indenture or other instrument governing the issuance of the security to be registered; and a specimen, copy, or description of the security that is required by rule adopted or order issued under this [Act] act;</p> <p>(3) copies of any other information or any other records filed by the issuer under the Securities Act of 1933 requested by the administrator secretary of state; and</p> <p>(4) an undertaking to forward each amendment to the federal prospectus, other than an amendment that delays the effective date of the registration statement, promptly after it is filed with the Securities and Exchange Commission.</p> <p><b>(c) [Conditions for effectiveness of registration statement.]</b> A registration statement under this section becomes effective simultaneously with or subsequent to the federal registration statement when all the following conditions are satisfied:</p> <p>(1) a stop order under subsection (d) or Section 306 or issued by the Securities and Exchange Commission is not in effect and a proceeding is not pending against the issuer under Section 306; and</p> <p>(2) the registration statement has been on file for at least twenty (20) days or a shorter period provided by rule adopted or order issued under this [Act] act.</p>	<p>(i) Two (2) copies of the latest form of prospectus filed under the Securities Act of 1933;</p> <p>(ii) If the secretary of state by rule or otherwise requires, a copy of the articles of incorporation and bylaws (or their substantial equivalent) currently in effect, a copy of any agreement with or among underwriters, a copy of any indenture or other instrument governing the issuance of the security to be registered, and a specimen or copy of the security;</p> <p>(iii) If the secretary of state requests, any other information, or copies of any other documents, filed under the Securities Act of 1933; and</p> <p>(iv) An undertaking to forward all amendments to the federal prospectus, other than an amendment which merely delays the effective date of the registration statement, promptly and in any event not later than the first business day after the day they are forwarded to or filed with the securities and exchange commission, whichever first occurs.</p> <p>(c) A registration statement under this section automatically becomes effective at the moment the federal registration statement becomes effective if all the following conditions are satisfied:</p> <p>(i) No stop order is in effect and no proceeding is pending under W.S. 17-4-112;</p> <p>(ii) The registration statement has been on file with the secretary of state for at least ten (10) days; and</p>	<p>Two copies is not necessary for Wyoming</p>
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<p>(d) [Notice of federal registration statement effectiveness.] The registrant shall promptly notify the <del>administrator</del> secretary of state in a record of the date when the federal registration statement becomes effective and the content of any price amendment and shall promptly file a record containing the price amendment.</p> <p>If the notice is not timely received, the <del>administrator</del> secretary of state may issue a stop order, without prior notice or hearing, retroactively denying effectiveness to the registration statement or suspending its effectiveness until compliance with this section. <del>The administrator</del> secretary of state shall promptly notify the registrant of an order by telegram, telephone, or electronic means and promptly confirm this notice by a record. If the registrant subsequently complies with the notice requirements of this section, the stop order is void as of the date of its issuance.</p> <p>(e) [Effectiveness of registration statement.] If the federal registration statement becomes effective before each of the conditions in this section is satisfied or is waived by the <del>administrator</del> secretary of state, the registration statement is automatically effective under this <del>Act</del> act when all the conditions are satisfied or waived. If the registrant notifies the</p>	<p>(iii) A statement of the maximum and minimum proposed offering prices and the maximum underwriting discounts and commissions has been on file for two (2) full business days or such shorter periods as the secretary of state permits by rule or otherwise and the offering is made within those limitations.</p> <p>(d) The registrant shall promptly notify the secretary of state by telephone or telegram of the date and time when the federal registration statement became effective and the content of the price amendment, if any, and shall promptly file a post effective amendment containing the information and documents in the price amendment. "Price amendment" means the final federal amendment which includes a statement of the offering price, underwriting and selling discounts or commissions, amount of proceeds, conversion rates, call prices, and other matters dependent upon the offering price. Upon failure to receive the required notification and post effective amendment with respect to the price amendment, the secretary of state may enter a stop order, without notice or hearing, retroactively denying effectiveness to the registration statement or suspending its effectiveness until compliance with this subsection, if he promptly notifies the registrant by telephone or telegram (and promptly confirms by letter or telegraph when he notifies by telephone) of the issuance of the order. If the registrant proves compliance with the requirements of this subsection as to notice and post effective amendment, the stop order is void as of the time of its entry. The secretary of state may by rule or otherwise waive either or both of the conditions specified in paragraphs (c) (ii) and (iii) of this section.</p> <p>If the federal registration statement becomes effective before all the conditions in this subsection are satisfied and they are not waived, the registration statement automatically becomes effective as soon as all the conditions are satisfied. If the registrant advises the secretary of state of the date when the federal registration statement is expected to become effective,</p>	<p>Price amendment is defined under Article 1 of 2002 Act</p>
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~~administrator~~ *secretary of state* of the date when the federal registration statement is expected to become effective, the ~~administrator~~ *secretary of state* shall promptly notify the registrant by telegram, telephone, or electronic means and promptly confirm this notice by a record, indicating whether all the conditions are satisfied or waived and whether the ~~administrator~~ *secretary of state* intends the institution of a proceeding under Section 306. The notice by the ~~administrator~~ *secretary of state* does not preclude the institution of such a proceeding.

#### SECTION 304. SECURITIES REGISTRATION BY QUALIFICATION.

(a) [Registration permitted.] A security may be registered by qualification under this section.

(b) [Required records.] A registration statement under this section must contain the information or records specified in Section 305, a consent to service of process complying with Section 611, and, if required by rule adopted under this ~~Act~~ act, the following information or records:

(1) with respect to the issuer and any significant subsidiary, its name, address, and form of organization; the state or foreign jurisdiction and date of its organization; the general character and location of its business; a description of its physical properties and equipment; and a statement of the general competitive conditions in the industry or business in which it is or will be engaged;

(2) with respect to each director and officer of the issuer, and other person having a similar status or performing similar functions, the person's name, address, and principal occupation for the previous five (5) years; the amount of securities of the issuer held by the person as of the 30th day

the secretary of state shall promptly advise the registrant by telephone or telegram, at the registrant's expense, whether all the conditions are satisfied and whether he then contemplates the institution of a proceeding under W.S. 17-4-112; but this advice by the secretary of state does not preclude the institution of such a proceeding at any time.

#### 17-4-110. Registration of securities; registration by qualification.

(a) Any security may be registered by qualification.

(b) A registration statement under this section shall contain the following information and be accompanied by the following documents in addition to the information specified in W.S. 17-4-111(c) and the consent to service of process required by W.S. 17-4-126(g):

(i) With respect to the issuer and any significant subsidiary: its name, address, and form of organization; the state or foreign jurisdiction and date of its organization; the general character and location of its business; a description of its physical properties and equipment; and a statement of the general competitive conditions in the industry or business in which it is or will be engaged;

(ii) With respect to every director and officer of the issuer, or person occupying a similar status or performing similar functions: his name, address, and principal occupation for the past five (5) years; the amount of securities of the issuer held by him as of a specified date within thirty (30) days of the

before the filing of the registration statement; the amount of the securities covered by the registration statement to which the person has indicated an intention to subscribe; and a description of any material interest of the person in any material transaction with the issuer or a significant subsidiary effected within the previous three (3) years or proposed to be effected;

(3) with respect to persons covered by paragraph (2), the aggregate sum of the remuneration paid to those persons during the previous twelve (12) months and estimated to be paid during the next twelve (12) months, directly or indirectly, by the issuer, and all predecessors, parents, subsidiaries, and affiliates of the issuer;

(4) with respect to a person owning of record or owning beneficially, if known, ten percent (10%) or more of the outstanding shares of any class of equity security of the issuer, the information specified in paragraph (2) other than the person's occupation;

(5) with respect to a promoter, if the issuer was organized within the previous three (3) years, the information or records specified in paragraph (2), any amount paid to the promoter within that period or intended to be paid to the promoter, and the consideration for the payment;

(6) with respect to a person on whose behalf any part of the offering is to be made in a nonissuer distribution, the person's name and address; the amount of securities of the issuer held by the person as of the date of the filing of the registration statement; a description of any material interest of the person in any material transaction with the issuer or any significant subsidiary effected within the previous three years or proposed to be effected; and a statement of the reasons for making the offering;

filing of the registration statement; the amount of the securities covered by the registration statement to which he has indicated his intention to subscribe; and a description of any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three (3) years or proposed to be effected;

(iii) With respect to persons covered by paragraph (b)(ii) of this section: the remuneration paid during the past twelve (12) months and estimated to be paid during the next twelve (12) months, directly or indirectly, by the issuer (together with all predecessors, parents, subsidiaries, and affiliates) to all those persons in the aggregate;

(iv) With respect to any person owning of record, or beneficially if known, ten percent (10%) or more of the outstanding shares of any class of equity security of the issuer: the information specified in paragraph (b)(ii) of this section other than his occupation;

(v) With respect to every promoter if the issuer was organized within the past three (3) years: the information specified in paragraph (b)(ii) of this section, any amount paid to him within that period or intended to be paid to him, and the consideration for any such payment;

(vi) With respect to any person on whose behalf any part of the offering is to be made in a nonissuer distribution: his name and address; the amount of securities of the issuer held by him as of the date of the filing of the registration statement; a description of any material interest in any material transaction with the issuer or any significant subsidiary effected within the past three (3) years of proposed to be effected; and a statement of his reasons for making the offering;

<p>(7) the capitalization and long term debt, on both a current and pro forma basis, of the issuer and any significant subsidiary, including a description of each security outstanding or being registered or otherwise offered, and a statement of the amount and kind of consideration, whether in the form of cash, physical assets, services, patents, goodwill, or anything else of value, for which the issuer or any subsidiary has issued its securities within the previous two (2) years or is obligated to issue its securities;</p> <p>(8) the kind and amount of securities to be offered; the proposed offering price or the method by which it is to be computed; any variation at which a proportion of the offering is to be made to a person or class of persons other than the underwriters, with a specification of the person or class; the basis on which the offering is to be made if otherwise than for cash; the estimated aggregate underwriting and selling discounts or commissions and finders' fees, including separately cash, securities, contracts, or anything else of value to accrue to the underwriters or finders in connection with the offering or, if the selling discounts or commissions are variable, the basis of determining them and their maximum and minimum amounts; the estimated amounts of other selling expenses, including legal, engineering, and accounting charges; the name and address of each underwriter and each recipient of a finder's fee; a copy of any underwriting or selling group agreement under which the distribution is to be made or the proposed form of any such agreement whose terms have not yet been determined; and a description of the plan of distribution of any securities that are to be offered otherwise than through an underwriter;</p> <p>(9) the estimated monetary proceeds to be received by the issuer from the offering; the purposes for</p>	<p>(vii) The capitalization and long-term debt (on both a current and pro forma basis) of the issuer and any significant subsidiary, including a description of each security outstanding or being registered or otherwise offered, and a statement of the amount and kind of consideration (whether in the form of cash, physical assets, services, patents, goodwill, or anything else) for which the issuer or any subsidiary has issued any of its securities within the past two (2) years or is obligated to issue any of its securities;</p> <p>(viii) The kind and amount of securities to be offered; the proposed offering price or the method by which it is to be computed; any variation therefrom at which any portion of the offering is to be made to any person or class of persons other than the underwriters, with a specification of any such person or class; the basis upon which the offering is to be made if otherwise than for cash; the estimated aggregate underwriting and selling discounts or commissions and finders' fees (including separately cash, securities, contracts, or anything else of value to accrue to the underwriters or finders in connection with the offering) or, if the selling discounts or commissions are variable, the basis of determining them and their maximum and minimum amounts; the estimated amounts of other selling expenses, including legal, engineering, and accounting charges; the name and address of every underwriter and every recipient of a finder's fee; a copy of any underwriting or selling group agreement pursuant to which the distribution is to be made, or the proposed form of any such agreement whose terms have not yet been determined; and a description of the plan of distribution of any securities which are to be offered otherwise than through an underwriter;</p> <p>(ix) The estimated cash proceeds to be received by the issuer from the offering; the purposes for which the proceeds are</p>	
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<p>which the proceeds are to be used by the issuer; the <b>estimated</b> amount to be used for each purpose; the order or priority in which the proceeds will be used for the purposes stated; the amounts of any funds to be raised from other sources to achieve the purposes stated; the sources of <b>the</b> funds; and, if <b>a</b> part of the proceeds is to be used to acquire property, including goodwill, otherwise than in the ordinary course of business, the names and addresses of the vendors, the purchase price, the names of any persons <b>that</b> have received commissions in connection with the acquisition, and the amounts of <b>the</b> commissions and other expenses in connection with the acquisition, including the cost of borrowing money to finance the acquisition;</p> <p>(10) a description of any stock options or other security options outstanding, or to be created in connection with the offering, <b>and</b> the amount of <b>those</b> options held or to be held by <b>each</b> person required to be named in paragraph (2), (4), (5), (6), or (8) and by any person <b>that</b> holds or will hold ten percent (10%) or more in the aggregate of <b>those</b> options;</p> <p>(11) the dates of, parties to, and general effect concisely stated of <b>each managerial</b> or other material contract made or to be made otherwise than in the ordinary course of business to be performed in whole or in part at or after the filing of the registration statement or <b>that</b> was made within the <b>previous</b> two years, <b>and</b> a copy of <b>the</b> contract;</p> <p>(12) <b>a</b> description of any pending litigation, <b>action</b>, or proceeding to which the issuer is a party and <b>that</b> materially affects its business or assets, <b>and</b> any litigation, <b>action</b>, or proceeding known to be contemplated by governmental authorities;</p> <p>(13) a copy of any prospectus, pamphlet, circular,</p>	<p>to be used by the issuer; the amount to be used for each purpose; the order or priority in which the proceeds will be used for the purposes stated; the amounts of any funds to be raised from other sources to achieve the purposes stated; the sources of <b>any such</b> funds; and, if <b>any</b> part of the proceeds is to be used to acquire <b>any</b> property (including goodwill) otherwise than in the ordinary course of business, the names and addresses of the vendors, the purchase price, the names of any persons <b>who</b> have received commissions in connection with the acquisition, and the amounts of <b>any such</b> commissions and <b>any</b> other expense in connection with the acquisition (including the cost of borrowing money to finance the acquisition);</p> <p>(x) A description of any stock options or other security options outstanding, or to be created in connection with the offering, <b>together with</b> the amount of <b>any such</b> options held or to be held by <b>every</b> person required to be named in paragraph (b)(ii), (iv), (v), (vi), or (viii) of this section and by any person <b>who</b> holds or will hold ten percent (10%) or more in the aggregate of <b>any such</b> options;</p> <p>(xi) The dates of, parties to, and general effect concisely stated of, <b>every management</b> or other material contract made or to be made otherwise than in the ordinary course of business <b>if it is</b> to be performed in whole or in part at or after the filing of the registration statement or was made within the <b>past</b> two (2) years, <b>together with</b> a copy of <b>every such</b> contract;</p> <p>and a description of any pending litigation or proceeding to which the issuer is a party and which materially affects its business or assets (<b>including</b> any <b>such</b> litigation or proceeding known to be contemplated by governmental authorities);</p> <p>(xii) A copy of any prospectus, pamphlet, circular,</p>	
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form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering and any solicitation of interest used in compliance with Section 202(17)(B);

(14) a specimen or copy of the security being registered, unless the security is uncertificated; a copy of the issuer's articles of incorporation and bylaws or their substantial equivalents, in effect; and a copy of any indenture or other instrument covering the security to be registered;

(15) a signed or conformed copy of an opinion of counsel concerning the legality of the security being registered, with an English translation if it is in a language other than English, which states whether the security when sold will be validly issued, fully paid, and nonassessable and, if a debt security, a binding obligation of the issuer;

(16) a signed or conformed copy of a consent of any accountant, engineer, appraiser, or other person whose profession gives authority for a statement made by the person, if the person is named as having prepared or certified a report or valuation, other than an official record, that is public, which is used in connection with the registration statement;

(17) a balance sheet of the issuer as of a date within four (4) months before the filing of the registration statement; a statement of income and a statement of cash flows for each of the three (3) fiscal years preceding the date of the balance sheet and for any period between the close of the immediately previous fiscal year and the date of the balance sheet, or for the period of the issuer's and any predecessor's existence if less than three (3) years; and, if any part of the proceeds of the offering is to be applied to the purchase of a business, the financial statements that would be required if that business were the registrant; and

form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering;

(xiii) A specimen or copy of the security being registered; a copy of the issuer's articles of incorporation and bylaws, or their substantial equivalents, as currently in effect; and a copy of any indenture or other instrument covering the security to be registered;

(xiv) A signed or conformed copy of an opinion of counsel as to the legality of the security being registered (with an English translation if it is in a foreign language), which shall state whether the security when sold will be legally issued, fully paid, and nonassessable, and, if a debt security, a binding obligation of the issuer;

(xv) The written consent of any accountant, engineer, appraiser, or other person whose profession gives authority to a statement made by him, if any such person is named as having prepared or certified a report or valuation (other than a public and official document or statement) which is used in connection with the registration statement;

(xvi) A balance sheet of the issuer as of a date within four (4) months prior to the filing of the registration statement; a profit and loss statement and analysis of surplus for each of the three (3) fiscal years preceding the date of the balance sheet and for any period between the close of the last fiscal year and the date of the balance sheet, or for the period of the issuer's and any predecessors' existence if less than three (3) years; and, if any part of the proceeds of the offering is to be applied to the purchase of any business, the same financial statements which would be required if that business were the registrant; and

(18) any additional information or records required by rule adopted or order issued under this [Act] act.

(c) [Conditions for effectiveness of registration statement.] A registration statement under this section becomes effective 30 days, or any shorter period provided by rule adopted or order issued under this act, after the date the registration statement or the last amendment other than a price amendment is filed, if when the secretary of state so orders.

(1) a stop order is not in effect and a proceeding is not pending under Section 306;

(2) the administrator has not issued an order under Section 306 delaying effectiveness; and

(3) the applicant or registrant has not requested that effectiveness be delayed.

(d) [Delay of effectiveness of registration statement.] The administrator may delay effectiveness once for not more than 90 days if the administrator determines the registration statement is not complete in all material respects and promptly notifies the applicant or registrant of that determination. The administrator may also delay effectiveness for a further period of not more than 30 days if the administrator determines that the delay is necessary or appropriate.

(e) [Prospectus distribution may be required.] A rule adopted or order issued under this [Act] act may require as a condition of registration under this section that a prospectus containing a specified part of the information or record specified in subsection (b) be sent or given to each person to which an offer is made, before or concurrently, with

(xvii) Such additional information as the secretary of state requires by rule or order.

(c) A registration statement under this section becomes effective when the secretary of state so orders.

(d) The secretary of state may by rule or order require as a condition of registration under this section that a prospectus containing any designated part of the information specified in subsection (b) be sent or given to each person to whom an offer is made before or concurrently with:

When the secretary of state so orders

the earliest of:

(1) the first offer made in a record to the person otherwise than by means of a public advertisement, by or for the account of the issuer or another person on whose behalf the offering is being made or by an underwriter or broker-dealer that is offering part of an unsold allotment or subscription taken by the person as a participant in the distribution;

(2) the confirmation of a sale made by or for the account of the person;

(3) payment pursuant to such a sale; or

(4) delivery of the security pursuant to such a sale.

#### SECTION 305. SECURITIES REGISTRATION FILINGS.

(a) [Who may file.] A registration statement may be filed by the issuer, a person on whose behalf the offering is to be made, or a broker-dealer registered under this Act.

(b) [Filing fee.] A person filing a registration statement shall pay a filing fee of  $\$ \text{---}$  1/50 of 1 percent (.0002) of the total dollar offering amount to be offered in this state, but the fee shall in no case be less than two hundred dollars (\$200.00) nor more than six hundred dollars (\$600.00) when filing an initial registration statement or renewing a previously filed registration statement. If a registration statement is withdrawn before the effective date or a preeffective stop order is issued under Section 306 the administrator or secretary of state shall retain  $\$ \text{---}$  one hundred dollars (\$100.00) of the fee.

(i) The first written offer made to him (otherwise than by means of a public advertisement) by or for the account of the issuer or any other person on whose behalf the offering is being made, or by any underwriter or broker-dealer who is offering part of an unsold allotment or subscription taken by him as a participant in the distribution;

(ii) The confirmation of any sale made by or for the account of any such person;

(iii) Payment pursuant to any such sale; or

(iv) Delivery of the security pursuant to any such sale, whichever first occurs.

#### 17-4-111. Registration of securities; registration provisions generally.

(a) Who may file statement. - A registration statement may be filed by the issuer, any other person on whose behalf the offering is to be made, or a registered broker-dealer.

(b) Every person shall pay a filing fee of 1/50 of 1 percent (.0002) of the total dollar offering amount to be offered in this state, but the fee shall in no case be less than two hundred dollars (\$200.00) nor more than six hundred dollars (\$600.00) when filing an initial registration statement or renewing a previously filed registration statement. When a registration statement is withdrawn before the effective date or a preeffective stop order is entered under W.S. 17-4-112 the secretary of state shall retain one hundred dollars (\$100.00) of the fee.

Fees remain the same

(c) [Status of offering.] A registration statement filed under Section 303 or 304 must specify:

(1) the amount of securities to be offered in this state;

(2) the states in which a registration statement or similar record in connection with the offering has been or is to be filed; and

(3) any adverse order, judgment, or decree issued in connection with the offering by a state securities regulator, the Securities and Exchange Commission, or a court.

(d) [Incorporation by reference.] A record filed under this act or the predecessor [Act] act within five (5) years preceding the filing of a registration statement may be incorporated by reference in the registration statement to the extent that the record is currently accurate.

(e) [Nonissuer distribution.] In the case of a nonissuer distribution, information or a record may not be required under subsection (i) or Section 304, unless it is known to the person filing the registration statement or to the person on whose behalf the distribution is to be made or unless it can be furnished by those persons without unreasonable effort or expense.

(f) [Escrow and impoundment.] A rule adopted or order issued under this [Act] act may require as a condition of registration that a security issued within the previous five (5)

(c) Contents of statement. - Every registration statement shall specify:

(i) The amount of securities to be offered in this state;

(ii) The states in which a registration statement or similar document in connection with the offering has been or is to be filed; and

(iii) Any adverse order, judgment, or decree entered in connection with the offering by the regulatory authorities in each state or by any court or the securities and exchange commission.

(d) Incorporation of previously filed documents. - Any document filed under this act or a predecessor act within five (5) years preceding the filing of a registration statement may be incorporated by reference in the registration statement to the extent that the document is currently accurate.

(e) Permitting omissions from statement. - The secretary of state may by rule or otherwise permit the omission of any item of information or document from any registration statement.

(f) Information which may not be required. - In the case of a nonissuer distribution, information may not be required under W.S. 17-4-110 or 17-4-111(k) unless it is known to the person filing the registration statement or to the persons on whose behalf the distribution is to be made, or can be furnished by them without unreasonable effort or expense

(g) Escrow or impounding. - The secretary of state may by rule or order require as a condition of registration by qualification or coordination (i) that any security issued within

years or to be issued to a promoter for a consideration substantially less than the public offering price or to a person for a consideration other than cash be deposited in escrow; and that the proceeds from the sale of the registered security in this state be impounded until the issuer receives a specified amount from the sale of the security either in this state or elsewhere. The conditions of any escrow or impoundment required under this subsection may be established by rule adopted or order issued under this ~~Act~~ act, but the administrator ~~secretary of state~~ may not reject a depository institution solely because of its location in another state.

(g) [Form of subscription.] A rule adopted or order issued under this ~~Act~~ act may require as a condition of registration that a security registered under this ~~Act~~ act be sold only on a specified form of subscription or sale contract and that a signed or conformed copy of each contract be filed under this ~~Act~~ act or preserved for a period specified by the rule or order, which may not be longer than five (5) years.

(h) [Effective period.] Except while a stop order is in effect under Section 306, a registration statement is effective for one year after its effective date,

or for any longer period designated in an order under this ~~Act~~ act during which the security is being offered or distributed in a nonexempted transaction by or for the account of the issuer or other person on whose behalf the offering is being made or by an underwriter or broker-dealer that is still offering part of an unsold allotment or subscription taken as a participant in the distribution. For the purposes of a nonissuer transaction, all outstanding securities of the same class

the past three (3) years or to be issued to a promoter for a consideration substantially different from the public offering price or to any person for a consideration other than cash, be deposited in escrow; and (ii) that the proceeds from the sale of the registered security in this state be impounded until the issuer receives a specified amount from the sale of the security either in this state or elsewhere. The secretary of state may by rule or order determine the conditions of any escrow or impounding required hereunder, but he may not reject a depository solely because of location in another state.

(h) Subscription or sale contract. - The secretary of state may by rule or order require as a condition of registration that any security registered by qualification or coordination be sold only on a specified form of subscription or sale contract, and that a signed or conformed copy of each contract be filed with the secretary of state or preserved for any period up to three (3) years specified in the rule or order.

(j)  
 \*except during the time a stop order is in effect under W.S. 17-4-112.  
 \*Duration of statement. - Every registration statement is effective for one (1) year from its effective date...  
 A request for renewing a registration statement for an additional year shall be accompanied by a sales report pursuant to subsection (k) of this section and the prescribed filing fee.

All outstanding securities of the same class as a registered

Change 3 years to 5 years

identified in the registration statement as a security registered under this [Aet] act are considered to be registered while the registration statement is effective. If any securities of the same class are outstanding,

a registration statement may not be withdrawn until one (1) year after its effective date. A registration statement may be withdrawn only with the approval of the administrator secretary of state.

(i) [Periodic reports.] While a registration statement is effective, a rule adopted or order issued under this [Aet] act may require the person that filed the registration statement to file reports, not more often than quarterly, to keep the information or other record in the registration statement reasonably current and to disclose the progress of the offering.

(j) [Posteffective amendments.] A registration statement may be amended after its effective date.

The posteffective amendment becomes effective when the administrator secretary of state so orders. If a posteffective amendment is made to increase the number of securities specified to be offered or sold, the person filing the amendment shall pay a registration fee of \$[ ] specified in subsection (b) of this section. A posteffective amendment relates back to the date of the offering of the additional securities being registered if, within one year after the date of the sale, the amendment is filed and the additional registration

security are considered to be registered for the purpose of any

nonissuer transaction (i) so long as the registration statement is effective and (ii) between the thirtieth day after the entry of any stop order suspending or revoking the effectiveness of the registration statement under W.S. 17-4-112 (if the registration statement did not relate in whole or in part to a nonissuer distribution) and one (1) year from the effective date of the registration statement. A registration statement may not be withdrawn for one (1) year from its effective date if any securities of the same class are outstanding. A registration statement may be withdrawn otherwise only in the discretion of the secretary of state.

(k) Reports. - So long as a registration statement is effective, the secretary of state may by rule or order require the person who filed the registration statement to file reports, not more often than quarterly, to keep reasonably current the information contained in the registration statement and to disclose the progress of the offering.

(m) Amendments. - A registration statement relating to a security issued by a face amount certificate company or a redeemable security issued by an open-end management company or unit investment trust, as those terms are defined in the Investment Company Act of 1940, may be amended after its effective date so as \*

Such an amendment becomes effective when the secretary of state so orders...

\*to increase the securities specified as proposed to be offered.\* Every person filing such an amendment shall pay the filing fee specified in subsection (b) of this section.

Fees remain the same

fee is paid.

**SECTION 306. DENIAL, SUSPENSION, AND REVOCATION OF SECURITIES REGISTRATION.**

(a) [Stop orders.] The ~~administrator~~ *secretary of state* may issue a stop order denying effectiveness to, or suspending or revoking the effectiveness of, a registration statement if ~~the administrator~~ *secretary of state* finds that the order is in the public interest and that:

(1) the registration statement as of its effective date or ~~before the effective~~ date in the case of an order denying effectiveness, an amendment under Section 305(j) as of its effective date, or a report under Section 305(i), is incomplete in a material respect or contains a statement that, in the light of the circumstances under which it was made, was false or misleading with respect to a material fact;

(2) this ~~Act~~ *act* or a rule adopted or order issued under this ~~Act~~ *act* or a condition imposed under this ~~Act~~ *act* has been willfully violated, in connection with the offering, by

the person filing the registration statement; by

the issuer, a partner, officer, or director of the issuer or a person having a similar status or performing a similar function; a promoter of the issuer; or a person directly or indirectly controlling or controlled by the issuer; but only if the person filing the registration statement is directly or indirectly controlled by or acting for the issuer; or by an underwriter;

(3) the security registered or sought to be

**17-4-112. Registration of securities; denial, suspension or revocation of registration; stop orders.**

(a) The secretary of state may issue a stop order denying effectiveness to, or suspending or revoking the effectiveness of, any registration statement if he finds that the order is in the public interest and that:

(i) The registration statement as of its effective date or as of any earlier date in the case of an order denying effectiveness, or any amendment under W.S. 17-4-111(m) as of its effective date, or any report under W.S. 17-4-111(k) is incomplete in any material respect or contains any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact;

(ii) Any provision of this act or any rule, order, or condition lawfully imposed under this act has been willfully violated, in connection with the offering, by:

(A) The person filing the registration statement;

(B) The issuer, any partner, officer, or director of the issuer, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling or controlled by the issuer, but only if the person filing the registration statement is directly or indirectly controlled by or acting for the issuer; or

(C) Any underwriter;

(iii) The security registered or sought to be registered is the subject of \*  
a permanent or temporary injunction of any court of

registered is the subject of  
 a permanent or temporary injunction of a court of competent jurisdiction or  
 an administrative stop order or similar order issued under any federal, foreign, or state law other than this [Act] act applicable to the offering, but the administrator secretary of state may not institute a proceeding against an effective registration statement under this paragraph more than one (1) year after the date of the order or injunction on which it is based, and

the administrator secretary of state may not issue an order under this paragraph on the basis of an order or injunction issued under the securities act of another state unless the order or injunction was based on conduct that would constitute, as of the date of the order, a ground for a stop order under this section;

(4) the issuer's enterprise or method of business includes or would include activities that are unlawful where performed;

(5) with respect to a security sought to be registered under Section 303, there has been a failure to comply with the undertaking required by Section 303(b)(4);

(6) the applicant or registrant has not paid the filing fee, but the administrator secretary of state shall void the order if the deficiency is corrected; or

(7) the offering:  
 (A) will work or tend to work a fraud upon purchasers or would so operate; or  
 (B) has been or would be made with unreasonable amounts of underwriters' and sellers' discounts,

competent jurisdiction...  
 \*... an administrative stop order or similar order or entered under any other federal or state act applicable to the offering, but:

(A) The secretary of state may not institute a proceeding against an effective registration statement under paragraph (iii) of this subsection more than one (1) year from the date of the order or injunction relied on; and

(B) He may not enter an order under paragraph (iii) of this subsection on the basis of an order or injunction entered under any other state act unless that order or injunction was based on facts which would currently constitute a ground for a stop order under this section.

(iv) The issuer's enterprise or method of business includes or would include activities which are illegal where performed;

(viii) When a security is sought to be registered by coordination, there has been a failure to comply with the undertaking required by W.S. 17-4-109(b)(iv); or

(ix) The applicant or registrant has failed to pay the proper filing fee; but the secretary of state may enter only a denial order under this subdivision and he shall vacate any such order when the deficiency has been corrected.

(v) The offering has worked or tended to work a fraud upon purchasers or would so operate;

(vi) The offering has been or would be made with unreasonable amounts of underwriters' and sellers' discounts,

commissions, or other compensation, or promoters' profits or participations, or unreasonable amounts or kinds of options; or

(C) is being made on terms that are unfair, unjust, or inequitable.

(b) [Enforcement of subsection (a)(7).] To the extent practicable, the administrator secretary of state by rule adopted or order issued under this [Act] act shall publish standards that provide notice of conduct that violates subsection (a)(7).

(c) [Institution of stop order.] The administrator secretary of state may not institute a stop order proceeding against an effective registration statement on the basis of conduct or a transaction known to the administrator secretary of state when the registration statement became effective unless the proceeding is instituted within thirty (30) days after the registration statement became effective.

(d) [Summary process.] The administrator secretary of state may summarily revoke, deny, postpone, or suspend the effectiveness of a registration statement pending final determination of an administrative proceeding. Upon the issuance of the order, the administrator secretary of state shall promptly notify each person specified in subsection (e) that the order has been issued, the reasons for the revocation, denial, postponement, or suspension, and that within fifteen (15) days after the receipt of a request in a record from the person the matter will be scheduled for a hearing. If a hearing is not requested and none is ordered by the administrator secretary of state, within 30 days after the date of service of the order, the order becomes final. If a hearing is requested or ordered, the

commissions, or other compensation, or promoters' profits or participation, or unreasonable amounts or kinds of options;

(vii) When a security is sought to be registered by notification, it is not eligible for such registration;

(b) The secretary of state may not institute a stop order proceeding against an effective registration statement on the basis of a fact or transaction known to him when the registration statement became effective unless the proceeding is instituted within the next thirty (30) days.

(c) The secretary of state may by order summarily postpone or suspend the effectiveness of the registration statement pending final determination of any proceeding under this section. Upon the entry of the order, the secretary of state shall promptly notify each person specified in subsection (a) of this section that it has been entered and of the reasons therefor and that within fifteen (15) days after the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the secretary of state, the order will remain in effect until it is modified or vacated by the secretary of state. If a hearing is requested or ordered, the secretary of state, after notice of and opportunity for hearing to each person specified in subsection (d) of this section, may

~~administrator~~ *secretary of state*, after notice of and opportunity for hearing for each person **subject to the order**, may modify or vacate the order or extend the order until final determination.

**(e) [Procedural requirements for stop order.]** A stop order may **not** be **issued** under this section without:

(1) appropriate notice to the applicant or registrant, the issuer, and the person on whose behalf the securities are to be or have been offered;

(2) **an** opportunity for hearing; and

(3) findings of fact and conclusions of law **in a record in accordance with the** ~~{state administrative procedure act}~~ *Wyoming Administrative Procedure Act*.

**(f) [Modification or vacation of stop order.]** The ~~administrator~~ *secretary of state* may modify or vacate a stop order **issued under this section** if the ~~administrator~~ *secretary of state* finds that the conditions that caused its issuance have changed or that it is **necessary or appropriate** in the public interest **or for the protection of investors**.

**SECTION 307. WAIVER AND MODIFICATION.**

The ~~administrator~~ *secretary of state* may waive or modify, in whole or in part, any or all of the requirements of Sections 302, 303, and 304(b) or the requirement of any information or record in a registration statement or in a periodic report filed pursuant to Section 305(i).

modify or vacate the order or extend it until final determination.

(d) **No** stop order may be **entered** under **any part of this section except the first sentence of subsection (c) of this section** without:

(i) Appropriate notice to the applicant or registrant, the issuer, and the person on whose behalf the securities are to be or have been offered;

(ii) Opportunity for hearing; and

(iii) **Written** findings of fact and conclusions of law.

(e) The secretary of state may vacate or modify a stop order if **he** finds that the conditions **which prompted** its entry have changed or that it is **otherwise** in the public interest **to do so**.

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**(e)** The secretary of state, **by rule or order**, may waive **any or all of the provisions of this section**.

# Article 4

New Securities Act	Current Wyoming Securities Act	Analysis
<p style="text-align: center;"><b>ARTICLE 4</b> <b>BROKER-DEALERS, AGENTS,</b> <b>INVESTMENT ADVISERS,</b> <b>INVESTMENT ADVISER REPRESENTATIVES, AND</b> <b>FEDERAL COVERED INVESTMENT ADVISERS</b></p> <p style="text-align: center;"><b>SECTION 401. BROKER-DEALER</b> <b>REGISTRATION REQUIREMENT AND</b> <b>EXEMPTIONS.</b></p> <p>(a) [Registration requirement.] It is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under this <del>Act</del> act as a broker-dealer or is exempt from registration as a broker-dealer under subsection (b) or (d).</p> <p>(b) [Exemptions from registration.] The following persons are exempt from the registration requirement of subsection (a):</p> <p>(1) a broker-dealer without a place of business in this state if its only transactions effected in this state are exclusively with or through:</p> <p style="padding-left: 40px;">(A) the issuer of the securities involved in the transactions;</p> <p style="padding-left: 40px;">(B) a broker-dealer registered as a broker-dealer under this <del>Act</del> act or not required to be registered as a broker-dealer under this <del>Act</del> act;</p>	<p><b>17-4-103. Broker-dealers and agents; registration required; notification when agent begins or terminates activities; expiration of registrations.</b></p> <p>(a) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under this act.</p> <p>17-4-113(a) (iii)...”Broker-dealer” does not include:</p> <p>17-4-113 (a)(iii) (D) A person who has no place of business in this state if:</p> <p style="padding-left: 40px;">(I) He effects transactions in this state exclusively with or through</p> <p style="padding-left: 80px;">(1) the issuers of the securities involved in the transactions,</p> <p style="padding-left: 80px;">(2) other broker-dealers or</p> <p style="padding-left: 80px;">(3) banks, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trusts, or other financial institutions or</p>	

<p>(C) an institutional investor;</p> <p>(D) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record;</p> <p>(E) a bona fide preexisting customer whose principal place of residence is not in this state and the person is registered as a broker-dealer under the Securities Exchange Act of 1934 or not required to be registered under the Securities Exchange Act of 1934 and is registered under the securities act of the state in which the customer maintains a principal place of residence;</p> <p>(F) a bona fide preexisting customer whose principal place of residence is in this state but was not present in this state when the customer relationship was established, if:</p> <p>(i) the broker-dealer is registered under the Securities Exchange Act of 1934 or not required to be registered under the Securities Exchange Act of 1934 and is registered under the securities laws of the state in which the customer relationship was established and where the customer had maintained a principal place of residence; and</p> <p>(ii) within 45 days after the customer's first transaction in this state, the person files an application for registration as a broker-dealer in this state and a further transaction is not effected more than 75 days after the date on which the application is filed, or, if earlier, the date on which the administrator secretary of state notifies the person that the administrator secretary of state has denied the application for registration or has stayed the pendency of the application for good cause;</p>	<p>institutional buyers, whether acting for themselves or as trustees; or</p>	<p>Situations where a broker-dealer is accepting orders from a sophisticated financial professional who is making the investment decisions for its customers.</p> <p>Intended to facilitate ongoing broker-customer relationships with customers who have established a second or other residence for such purposes as a winter home (i.e. "snowbirds").</p>
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(G) not more than ~~three~~ **one** customers in this state during the previous twelve (12) months, in addition to those customers specified in subparagraphs (A) through (F) and under subparagraph (H), if the broker-dealer is registered under the Securities Exchange Act of 1934 or not required to be registered under the Securities Exchange Act of 1934 and is registered under the securities act of the state in which the broker-dealer has its principal place of business; and

(H) any other person exempted by rule adopted or order issued under this ~~Act~~ **act**; and

(2) a person that deals solely in United States government securities and is supervised as a dealer in government securities by the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the Office of Thrift Supervision

**(c) [Limits on employment or association.]**  
It is unlawful for a broker-dealer, or for an issuer engaged in offering, offering to purchase, purchasing, or selling securities in this state, directly or indirectly, to employ or associate with an individual to engage in an activity related to securities transactions in this state if the registration of the individual is suspended or revoked or the individual is barred from employment or association with a broker-dealer, an issuer, an investment adviser, or a federal covered investment adviser by an order of the ~~administrator~~ **secretary of state** under this ~~Act~~ **act**, the Securities and Exchange Commission, or a self-regulatory organization. A broker-dealer or issuer does not violate this subsection if the broker-dealer or issuer did not know and in the exercise of reasonable care could not have known, of the suspension, revocation, or bar. Upon request from a broker-dealer or issuer and for good cause, an order

17-4-113(a)(iii)(D)  
**(II) During any period of twelve (12) consecutive months he does not direct more than fifteen (15) offers to sell or buy into this state in any manner to persons other than those specified in subdivision (I) of this subparagraph, whether or not the offeror or any of the offerees is then present in this state.**

A Broker-Dealer may have one customer in Wyoming – more clear cut than allowing offers.  
Allowing 3 customers may be considered unfair to those who must register.

under this ~~Act~~ act may modify or waive, in whole or in part, the application of the prohibitions of this subsection to the broker-dealer.

(d) **[Foreign transactions.]** A rule adopted or order issued under this ~~Act~~ act may permit:

(1) a broker-dealer that is registered in Canada or other foreign jurisdiction and that does not have a place of business in this state to effect transactions in securities with or for, or attempt to effect the purchase or sale of any securities by:

(A) an individual from Canada or other foreign jurisdiction who is temporarily present in this state and with whom the broker-dealer had a bona fide customer relationship before the individual entered the United States;

(B) an individual from Canada or other foreign jurisdiction who is present in this state and whose transactions are in a self-directed tax advantaged retirement plan of which the individual is the holder or contributor in that foreign jurisdiction; or

(C) an individual who is

17-4-113(a)(iii)

(E) A person who is resident in Canada, has no office or other physical presence in this state, and complies with the following conditions:

(I) Is a member of a self-regulatory organization or stock exchange in Canada;

(II) Maintains his provincial or territorial registration and his membership in a self-regulatory organization or stock exchange in good standing;

(III) Is not in violation of W.S. 17-4-101; and

(IV) Only effects or attempts to effect transactions in securities:

(1) With or for a person from Canada who is temporarily present in this state, with whom the Canadian person had a bona fide business-client relationship before the person entered this state; or

(2) With or for a person from Canada who is present in this state, whose transactions are in a self-directed tax advantaged retirement plan in Canada of which the person is the holder or contributor.

present in this state, with whom the broker-dealer customer relationship arose while the individual was temporarily or permanently resident in Canada or the other foreign jurisdiction; and

(2) an agent who represents a broker-dealer that is exempt under this subsection to effect transactions in securities or attempt to effect the purchase or sale of securities in this state as permitted for a broker-dealer described in paragraph (1).

**SECTION 402. AGENT REGISTRATION REQUIREMENT AND EXEMPTIONS.**

(a) [Registration requirement.] It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this Act as an agent or is exempt from registration as an agent under subsection (b).

(b) [Exemptions from registration.] The following individuals are exempt from the registration requirement of subsection (a):

(1) an individual who represents a broker-dealer in effecting transactions in this state limited to those described in Section 15(h)(2) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78(o)(2));

(2) an individual who represents a broker-dealer that is exempt under Section 401(b) or (d);

(3) an individual who represents an issuer with respect to an offer or sale of the issuer's own securities or those of the issuer's parent or any of the issuer's

**17-4-103. Broker-dealers and agents; registration required; notification when agent begins or terminates activities; expiration of registrations.**

(a) It is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under this act.

17-4-113(a)(ii) [in pertinent part]  
..."Agent" does not include

17-4-113(a)(ii) [in pertinent part]  
\*or (B) a broker-dealer in effecting transactions in this state limited to those transactions described in section 15(h)(2) of the Securities Exchange Act of 1934

subsidiaries, and who is not compensated in connection with the individual's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities;

(4) an individual who represents an issuer and who effects transactions in the issuer's securities exempted by Section 202, other than Section 202(11) and (14);

(5) an individual who represents an issuer that effects transactions solely in federal covered securities of the issuer, but an individual who effects transactions in a federal covered security under Section 18(b)(3) or 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(3) or 77r(b)(4)(D)) is not exempt if the individual is compensated in connection with the agent's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities;

(6) an individual who represents a broker-dealer registered in this state under Section 401(a) or exempt from registration under Section 401(b) in the offer and sale of securities for an account of a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record;

(7) an individual who represents an issuer in connection with the purchase of the issuer's own securities;

(8) an individual who represents an issuer and who restricts participation to performing clerical or ministerial acts; or

[...continued]

\*an individual who represents (A) an issuer in (I) effecting transactions in a security exempted by W.S. 17-4-114(a)(i), (ii), (iii), (ix) or (x), (II) effecting transactions exempted by W.S. 17-4-114(b),

(III) effecting transactions in a covered security as described in section 18(b)(3) and 18(b)(4)(D) of the Securities Act of 1933, or (IV) effecting transactions with existing employees, partners or directors of the issuer if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state;

An agent is accepting an order from a sophisticated financial professional who is making investment decision for its customers

Preparing routine written materials or responding to inquiries

(9) any other individual exempted by rule adopted or order issued under this [Act] act.

(c) [Registration effective only while employed or associated.] The registration of an agent is effective only while the agent is employed by or associated with a broker-dealer registered under this [Act] act or an issuer that is offering, selling, or purchasing its securities in this state.

(d) [Limit on employment or association.] It is unlawful for a broker-dealer, or an issuer engaged in offering, selling, or purchasing securities in this state, to employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection (a) or exempt from registration under subsection (b).

(e) [Limit on affiliations.] An individual may not act as an agent for more than one broker-dealer or one issuer at a time, unless the broker-dealer or the issuer for which the agent acts are affiliated by direct or indirect common control or are authorized by rule or order under this [Act] act.

**SECTION 403. INVESTMENT ADVISER REGISTRATION REQUIREMENT AND EXEMPTIONS.**

(a) [Registration requirement.] It is unlawful for a person to transact business in this state as an investment adviser unless the person is registered under this [Act] act as an investment adviser or is exempt from registration as an investment adviser under subsection (b).

(b) [Exemptions from registration.] The following persons are exempt from the registration

17-4-103(b) in pertinent part

The registration of an agent is not effective during any period when he is not associated with a particular broker-dealer registered under this act or a particular issuer.

17-4-103 (b) It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered.

Wyoming currently allows dual registration

New language bringing Investment Advisers under WY Law

requirement of subsection (a):

(1) a person without a place of business in this state that is registered under the securities act of the state in which the person has its principal place of business if its only clients in this state are:

(A) federal covered investment advisers, investment advisers registered under this ~~{Act}~~ act, or broker-dealers registered under this ~~{Act}~~ act;

(B) institutional investors;

(C) bona fide preexisting clients whose principal places of residence are not in this state if the investment adviser is registered under the securities act of the state in which the clients maintain principal places of residence; or

(D) any other client exempted by rule adopted or order issued under this ~~{Act}~~ act;

(2) a person without a place of business in this state if the person has had, during the preceding 12 months, not more than five clients that are resident in this state in addition to those specified under paragraph (1); or

(3) any other person exempted by rule adopted or order issued under this ~~{Act}~~ act.

**(c) [Limits on employment or association.]**

It is unlawful for an investment adviser, directly or indirectly, to employ or associate with an individual to engage in an activity related to investment advice in this state if the registration of the individual is suspended or revoked or the individual is barred from employment or association with an investment adviser, federal covered investment adviser, or

broker-dealer by an order under this ~~{Act}~~ act, the Securities and Exchange Commission, or a self-regulatory organization, unless the investment adviser did not know, and in the exercise of reasonable care could not have known, of the suspension, revocation, or bar. Upon request from the investment adviser and for good cause, the ~~administrator~~ *secretary of state*, by order, may waive, in whole or in part, the application of the prohibitions of this subsection to the investment adviser.

(d) **[Investment adviser representative registration required.]** It is unlawful for an investment adviser to employ or associate with an individual required to be registered under this ~~{Act}~~ act as an investment adviser representative who transacts business in this state on behalf of the investment adviser unless the individual is registered under Section 404(a) or is exempt from registration under Section 404(b).

**SECTION 404. INVESTMENT ADVISER REPRESENTATIVE REGISTRATION REQUIREMENT AND EXEMPTIONS.**

(a) **[Registration requirement.]** It is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this ~~{Act}~~ act as an investment adviser representative or is exempt from registration as an investment adviser representative under subsection (b).

(b) **[Exemptions from registration.]** The following individuals are exempt from the registration requirement of subsection (a):

(1) an individual who is employed by or associated with an investment adviser that is exempt from registration under Section 403(b) or a federal covered

New language bringing Investment Advisers under WY Law

investment adviser that is excluded from the notice filing requirements of Section 405; and

(2) any other individual exempted by rule adopted or order issued under this ~~{Act}~~ act.

(c) **[Registration effective only while employed or associated.]** The registration of an investment adviser representative is not effective while the investment adviser representative is not employed by or associated with an investment adviser registered under this ~~{Act}~~ act or a federal covered investment adviser that has made or is required to make a notice filing under Section 405.

(d) **[Limit on affiliations.]** An individual may transact business as an investment adviser representative for more than one investment adviser or federal covered investment adviser unless a rule adopted or order issued under this ~~{Act}~~ act prohibits or limits an individual from acting as an investment adviser representative for more than one investment adviser or federal covered investment adviser.

(e) **[Limits on employment or association.]** It is unlawful for an individual acting as an investment adviser representative, directly or indirectly, to conduct business in this state on behalf of an investment adviser or a federal covered investment adviser if the registration of the individual as an investment adviser representative is suspended or revoked or the individual is barred from employment or association with an investment adviser or a federal covered investment adviser by an order under this ~~{Act}~~ act, the Securities and Exchange Commission, or a self-regulatory organization. Upon request from a federal covered investment adviser and for good cause, the ~~administrator~~ *secretary of state*, by order issued, may waive, in whole or in part, the application of the requirements of this subsection to the federal

covered investment adviser.

(f) **[Referral fees.]** An investment adviser registered under this ~~Act~~ act, a federal covered investment adviser that has filed a notice under Section 405, or a broker-dealer registered under this ~~Act~~ act is not required to employ or associate with an individual as an investment adviser representative if the only compensation paid to the individual for a referral of investment advisory clients is paid to an investment adviser registered under this ~~Act~~ act, a federal covered investment adviser who has filed a notice under Section 405, or a broker-dealer registered under this ~~Act~~ act with which the individual is employed or associated as an investment adviser representative.

**SECTION 405. FEDERAL COVERED INVESTMENT ADVISER NOTICE FILING REQUIREMENT.**

(a) **[Notice filing requirement.]** Except with respect to a federal covered investment adviser described in subsection (b), it is unlawful for a federal covered investment adviser to transact business in this state as a federal covered investment adviser unless the federal covered investment adviser complies with subsection (c).

(b) **[Notice filing requirement not required.]** The following federal covered investment advisers are not required to comply with subsection (c):

(1) a federal covered investment adviser without a place of business in this state if its only clients in this state are:

(A) federal covered investment advisers, investment advisers registered under this ~~Act~~ act, and broker-dealers registered under this ~~Act~~ act;

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<p>(B) institutional investors;</p> <p>(C) bona fide preexisting clients whose principal places of residence are not in this State; or</p> <p>(D) other clients specified by rule adopted or order issued under this {Aet} act;</p> <p>(2) a federal covered investment adviser without a place of business in this state if the person has had, during the preceding 12 months, not more than five clients that are resident in this state in addition to those specified under paragraph (1); and</p> <p>(3) any other person excluded by rule adopted or order issued under this {Aet} act.</p> <p>(c) <b>[Notice filing procedure.]</b> A person acting as a federal covered investment adviser, not excluded under subsection (b), shall file a notice, a consent to service of process complying with Section 611, and such records as have been filed with the Securities and Exchange Commission under the Investment Advisers Act of 1940 required by rule adopted or order issued under this {Aet} act and pay the fees specified in Section 410(e).</p> <p>(d) <b>[Effectiveness of filing.]</b> The notice under subsection (c) becomes effective upon its filing.</p> <p><b>SECTION 406. REGISTRATION BY BROKER-DEALER, AGENT, INVESTMENT ADVISER, AND INVESTMENT ADVISER REPRESENTATIVE.</b></p> <p>(a) <b>[Application for initial registration.]</b> A</p>	<p>17-4-104. Broker-dealers and agents; registration procedure generally; fees; successors; minimum capital requirements; surety bonds or deposits</p>	
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person shall register as a broker-dealer, agent, investment adviser, or investment adviser representative by filing an application and a consent to service of process complying with Section 611, and paying the fee specified in Section 410 and any reasonable fees charged by the designee of the administrator secretary of state for processing the filing. The application must contain:

(1) the information or record required for the filing of a uniform application; and

(2) upon request by the administrator secretary of state, any other financial or other information or record that the administrator secretary of state determines is appropriate.

(b) [Amendment.] If the information or record contained in an application filed under subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) [Effectiveness of registration.] If an order is not in effect and a proceeding is not pending under Section 412, registration becomes effective at noon on the 45th day after a completed application is filed, unless the registration is denied. A rule adopted or order issued under this [Act] act may set an earlier effective date or may defer the effective date until noon on the 45th day after the filing of any amendment completing the application.

(a) Generally. - A broker-dealer or agent may obtain an initial or renewal registration by filing with the secretary of state an application together with a consent to service of process pursuant to W.S. 17-4-126(g).

(a) continued

The application shall contain whatever information the secretary of state by rule requires concerning such matters as (i) the applicant's form and place of organization; (ii) the applicant's proposed method of doing business; (iii) the qualifications and business history of the applicant and, in the case of a broker-dealer, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer; (iv) any injunction or administrative order or conviction of a misdemeanor involving a security or any aspect of the securities business and any conviction of a felony; and (v) the applicant's financial condition and history. The secretary of state may by rule or order require an applicant for initial registration to publish an announcement of the application in one (1) or more specified newspapers published in this state.

(a) continued

If no denial order is in effect and no proceeding is pending under W.S. 17-4-106, registration becomes effective at noon of the thirtieth day after an application is filed. The secretary of state may by rule or order specify an earlier effective date, and he may by order defer the effective date until noon of the thirtieth day after the filing of any amendment. Registration of a broker-dealer automatically constitutes registration of any agent who is a partner, officer, or director, or a person occupying a similar status or performing similar functions.

All of this information is included in the standardized uniform application – Form U4, Form BD, Form ADV

(d) **[Registration renewal.]** A registration is effective until midnight on December 31 of the year for which the application for registration is filed. Unless an order is in effect under Section 412, a registration may be automatically renewed each year by filing such records as are required by rule adopted or order issued under this ~~Act~~ act, by paying the fee specified in Section 410, and by paying costs charged by the designee of the ~~administrator~~ secretary of state for processing the filings.

(e) **[Additional conditions or waivers.]** A rule adopted or order issued under this ~~Act~~ act may impose such other conditions, not inconsistent with the National Securities Markets Improvement Act of 1996. An order issued under this ~~Act~~ act may waive, in whole or in part, specific requirements in connection with registration as are in the public interest and for the protection of investors.

**SECTION 407. SUCCESSION AND CHANGE IN REGISTRATION OF BROKER-DEALER OR INVESTMENT ADVISER.**

(a) **[Succession.]** A broker-dealer or investment adviser may succeed to the current registration of another broker-dealer or investment adviser or a notice filing of a federal covered investment adviser, and a federal covered investment adviser may succeed to the current registration of an investment adviser or notice filing of another federal covered investment adviser, by filing as a successor an application for registration pursuant to Section 401 or 403 or a notice pursuant to Section 405 for the unexpired portion of the current registration or notice filing.

(b) **[Organizational change.]** A broker-dealer or investment adviser that changes its form of organization or state of incorporation or organization may continue its

17-4-103  
(c) Every registration expires one (1) year from its effective date unless renewed.

17-4-104 (c)  
Successors. - A registered broker-dealer may file an application for registration of a successor, whether or not the successor is then in existence, for the unexpired portion of the year. There shall be no filing fee.

Expiration dates changed with the implementation of CRD in 1983

registration by filing an amendment to its registration if the change does not involve a material change in its financial condition or management. The amendment becomes effective when filed or on a date designated by the registrant in its filing. The new organization is a successor to the original registrant for the purposes of this ~~{Act}~~ act. If there is a material change in financial condition or management, the broker-dealer or investment adviser shall file a new application for registration. A predecessor registered under this ~~{Act}~~ act shall stop conducting its securities business other than winding down transactions and shall file for withdrawal of broker-dealer or investment adviser registration within 45 days after filing its amendment to effect succession.

(c) **[Name change.]** A broker-dealer or investment adviser that changes its name may continue its registration by filing an amendment to its registration. The amendment becomes effective when filed or on a date designated by the registrant.

(d) **[Change of control.]** A change of control of a broker-dealer or investment adviser may be made in accordance with a rule adopted or order issued under this ~~{Act}~~ act

**SECTION 408. TERMINATION OF EMPLOYMENT OR ASSOCIATION OF AGENT AND INVESTMENT ADVISER REPRESENTATIVE AND TRANSFER OF EMPLOYMENT OR ASSOCIATION.**

(a) **[Notice of termination.]** If an agent registered under this ~~{Act}~~ act terminates employment by or association with a broker-dealer or issuer, or if an investment adviser representative registered under this ~~{Act}~~ act terminates employment by or association with an investment adviser or federal covered investment adviser, or if either

17-4-103 (b) [in pertinent part]

When an agent begins or terminates a connection with a broker-dealer or issuer, or begins or terminates those activities which make him an agent, the agent as well as the broker-dealer or issuer shall promptly notify the secretary of state.

registrant terminates activities that require registration as an agent or investment adviser representative, the broker-dealer, issuer, investment adviser, or federal covered investment adviser shall promptly file a notice of termination. If the registrant learns that the broker-dealer, issuer, investment adviser, or federal covered investment adviser has not filed the notice, the registrant may do so.

(b) **[Transfer of employment or association.]** If an agent registered under this ~~Act~~ act terminates employment by or association with a broker-dealer registered under this ~~Act~~ act and begins employment by or association with another broker-dealer registered under this ~~Act~~ act; or if an investment adviser representative registered under this ~~Act~~ act terminates employment by or association with an investment adviser registered under this ~~Act~~ act or a federal covered investment adviser that has filed a notice under Section 405 and begins employment by or association with another investment adviser registered under this ~~Act~~ act or a federal covered investment adviser that has filed a notice under Section 405; then upon the filing by or on behalf of the registrant, within 30 days after the termination, of an application for registration that complies with the requirement of Section 406(a) and payment of the filing fee required under Section 410, the registration of the agent or investment adviser representative is:

(1) immediately effective as of the date of the completed filing, if the agent's Central Registration Depository record or successor record or the investment adviser representative's Investment Adviser Registration Depository record or successor record does not contain a new or amended disciplinary disclosure within the previous 12 months; or

(2) temporarily effective as of the date of the completed filing, if the agent's Central Registration

Depository record or successor record or the investment adviser representative's Investment Adviser Registration Depository record or successor record contains a new or amended disciplinary disclosure within the preceding 12 months.

**(c) [Withdrawal of temporary registration.]**

The ~~administrator~~ *secretary of state* may withdraw a temporary registration if there are or were grounds for discipline as specified in Section 412 and the ~~administrator~~ *secretary of state* does so within 30 days after the filing of the application. If the ~~administrator~~ *secretary of state* does not withdraw the temporary registration within the 30 day period, registration becomes automatically effective on the 31st day after filing.

**(d) [Power to prevent registration.]** The ~~administrator~~ *secretary of state* may prevent the effectiveness of a transfer of an agent or investment adviser representative under subsection (b)(1) or (2) based on the public interest and the protection of investors.

**(e) [Termination of registration or application for registration.]** If the ~~administrator~~ *secretary of state* determines that a registrant or applicant for registration is no longer in existence or has ceased to act as a broker-dealer, agent, investment adviser, or investment adviser representative, or is the subject of an adjudication of incapacity or is subject to the control of a committee, conservator, or guardian, or cannot reasonably be located, a rule adopted or order issued under this ~~Act~~ *act* may require the registration be canceled or terminated or the application denied. The ~~administrator~~ *secretary of state* may reinstate a canceled or terminated registration, with or without hearing, and may make the registration retroactive.

**SECTION 409. WITHDRAWAL OF REGISTRATION OF BROKER-DEALER, AGENT,**

17-4-106

(f) If the secretary of state finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a broker-dealer or agent, or is subject to an adjudication of mental incompetence or to the control of a committee, conservator, or guardian, or cannot be located after reasonable search, the secretary of state may by order cancel the registration or application.

**INVESTMENT ADVISER, AND INVESTMENT ADVISER REPRESENTATIVE.** Withdrawal of registration by a broker-dealer, agent, investment adviser, or investment adviser representative becomes effective sixty (60) days after the filing of the application to withdraw or within any shorter period as provided by rule adopted or order issued under this [Act] act unless a revocation or suspension proceeding is pending when the application is filed. If a proceeding is pending, withdrawal becomes effective when and upon such conditions as required by rule adopted or order issued under this [Act] act. The administrator secretary of state may institute a revocation or suspension proceeding under Section 412 within one (1) year after the withdrawal became effective automatically and issue a revocation or suspension order as of the last date on which registration was effective if a proceeding is not pending.

**SECTION 410. FILING FEES.**

(a) [Broker-dealers.] A person shall pay a fee of \$[ ] two hundred dollars (\$200.00) when initially filing an application for registration as a broker-dealer and a fee of \$[ ] two hundred dollars (\$200.00) when filing a renewal of registration as a broker-dealer. If the filing results in a denial or withdrawal, the administrator secretary of state shall retain \$[ ] of the fee the entire fee.

(b) [Agents.] The fee for an individual is \$[ ] thirty-five dollars (\$35.00) when filing an application for registration as an agent, a fee of \$[ ] thirty-five dollars (\$35.00) when filing a renewal of registration as an agent, and a fee of \$[ ] thirty-five dollars (\$35.00) when filing for a change of registration as an agent. If the filing results in a denial or withdrawal, the administrator secretary of state shall

17-4-106  
(g) Withdrawal from registration as a broker-dealer or agent becomes effective thirty (30) days after receipt of an application to withdraw or within such shorter period of time as the secretary of state may determine, unless a revocation or suspension proceeding is pending when the application is filed or a proceeding to revoke or suspend or to impose conditions upon the withdrawal is instituted within thirty (30) days after the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and upon such conditions as the secretary of state by order determines. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the secretary of state may nevertheless institute a revocation or suspension proceeding under W.S. 17-4-106(a)(ii)(B) within one (1) year after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.

17-4-104  
(b) Every applicant for initial or renewal registration shall pay a filing fee of two hundred dollars (\$200.00) in the case of a broker-dealer, and thirty-five dollars (\$35.00) in the case of an agent.  
  
When an application is denied or withdrawn, the secretary of state shall retain the entire fee.

Fees remain the same

retain \$[ ] of the fee the entire fee.

(c) **[Investment advisers.]** A person shall pay a fee of \$[ ] two hundred dollars (\$200.00) when filing an application for registration as an investment adviser and a fee of \$[ ] two hundred dollars (\$200.00) when filing a renewal of registration as an investment adviser. If the filing results in a denial or withdrawal, the ~~administrator~~ secretary of state shall retain \$[ ] of the fee the entire fee.

(d) **[Investment adviser representatives.]** The fee for an individual is \$[ ] thirty-five dollars (\$35.00) when filing an application for registration as an investment adviser representative, a fee of \$[ ] thirty-five dollars (\$35.00) when filing a renewal of registration as an investment adviser representative, and a fee of \$[ ] thirty-five dollars (\$35.00) when filing a change of registration as an investment adviser representative. If the filing results in a denial or withdrawal, the ~~administrator~~ secretary of state shall retain \$[ ] of the fee the entire fee.

(e) **[Federal covered investment advisers.]** A federal covered investment adviser required to file a notice under Section 405 shall pay an initial fee of \$[ ] two hundred dollars (\$200.00) and an annual notice fee of \$[ ] two hundred dollars (\$200.00).

(f) **[Payment.]** A person required to pay a filing or notice fee under this section may transmit the fee through or to a designee as a rule or order provides under this act.

**[(g) [Dual agent/investment adviser representative.]** An investment adviser representative who is registered as an agent under Section 402 and who represents a person that is both registered as a broker-dealer under Section 401 and registered as an investment adviser under Section 403 or

required as a federal covered investment adviser to make a notice filing under Section 405 is not required to pay an initial or annual registration fee for registration as an investment adviser representative.]

**SECTION 411. POSTREGISTRATION REQUIREMENTS.**

(a) **[Financial requirements.]** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this ~~{Act}~~ act may establish minimum financial requirements for broker-dealers registered or required to be registered under this ~~{Act}~~ act and investment advisers registered or required to be registered under this ~~{Act}~~ act.

(b) **[Financial reports.]** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this ~~{Act}~~ act and an investment adviser registered or required to be registered under this ~~{Act}~~ act shall file such financial reports as are required by a rule adopted or order issued under this ~~{Act}~~ act. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **[Recordkeeping.]** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22):

**17-4-105. Broker-dealers and agents; records; financial reports; amendments to documents filed; examinations.**

17-4-104(d)

\*subject to the limitations of section 15 of the Securities Exchange Act of 1934.

**\*(d)Minimum capital. - The secretary of state may by rule or order require a minimum capital for registered broker-dealers**

17-4-105(b)

\*as provided by section 15 of the Securities Exchange Act of 1934.

**(b) Every registered broker-dealer shall file such financial reports as the secretary of state prescribes by rule or order,\***

(c) If the information contained in any document filed with the secretary of state is or becomes inaccurate or incomplete in any material respect, the registrant shall promptly file a correcting amendment unless notification of the correction has been given under W.S. 17-4-103(b).

(1) a broker-dealer registered or required to be registered under this ~~{Act}~~ act and an investment adviser registered or required to be registered under this ~~{Act}~~ act shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this ~~{Act}~~ act;

(2) broker-dealer records required to be maintained under paragraph (1) may be maintained in any form of data storage acceptable under Section 17(a) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78q(a)) if they are readily accessible to the ~~administrator~~ secretary of state; and

(3) investment adviser records required to be maintained under paragraph (1) may be maintained in any form of data storage required by rule adopted or order issued under this ~~{Act}~~ act.

(d) **[Audits or inspections.]** The records of a broker-dealer registered or required to be registered under this ~~{Act}~~ act and of an investment adviser registered or required to be registered under this ~~{Act}~~ act are subject to such reasonable periodic, special, or other audits or inspections by a representative of the ~~administrator~~ secretary of state, within or without this state, as the ~~administrator~~ secretary of state considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The ~~administrator~~ secretary of state may copy, and remove for audit or inspection copies of, all records the ~~administrator~~ secretary of state reasonably considers necessary or appropriate to conduct the audit or inspection. The ~~administrator~~ secretary of state may assess a reasonable charge for conducting an audit or inspection under this subsection.

17-4-105

(a) Every registered broker-dealer shall make and keep such accounts, correspondence, memoranda, papers, books, and other records as the secretary of state prescribes by rule or order, except as provided by section 15 of the Securities Exchange Act of 1934. All records so required shall be preserved for such period as the secretary of state prescribes by rule or order.

17-4-105

(d) All the records referred to in subsection (a) of this section are subject at any time or from time to time to such reasonable periodic, special, or other examinations by representatives of the secretary of state, within or without this state, as the secretary of state deems necessary or appropriate in the public interest or for the protection of investors. For the purpose of avoiding unnecessary duplication of examinations, the secretary of state, insofar as he deems it practicable in administering this subsection, may cooperate with the securities administrators of other states, the securities and exchange commission, and any national securities exchange or national securities association registered under the Securities Exchange Act of 1934.

(e) [Custody and discretionary authority bond or insurance.] Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this [Act] act may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount not to exceed \$[ ] as set by rule. The administrator secretary of state may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this [Act] act whose net capital exceeds, or of an investment adviser registered under this [Act] act whose minimum financial requirements exceed, the amounts required by rule or order under this [Act] act. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in Section 509(j)(2).

(f) [Requirements for custody.] Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative may not have custody of funds or securities of a client except under the supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this [Act] act may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or securities of a customer and on an investment adviser regarding custody of securities or funds

17-4-104(e)  
\*section 15 of the Securities Exchange Act of 1934,  
(e) Surety bonds. - The secretary of state may by rule or order require registered broker-dealers and agents to post surety bonds in amounts as the secretary of state may prescribe, subject to the limitations of \*  
and may determine their conditions. Any appropriate deposit of cash or securities shall be accepted in lieu of any bond so required. No bond may be required of any registrant whose net capital, which may be defined by rule, exceeds the amounts required by the secretary of state. Every bond shall provide for suit thereon by any person who has a cause of action under W.S. 17-4-122 and, if the secretary of state by rule or order requires, by any person who has a cause of action not arising under this chapter. Every bond shall provide that no suit may be maintained to enforce any liability on the bond unless brought within two (2) years after the sale or other act upon which it is based.

of a client.

(g) **[Investment adviser brochure rule.]**

With respect to an investment adviser registered or required to be registered under this ~~Act~~ act, a rule adopted or order issued under this ~~Act~~ act may require that information or other record be furnished or disseminated to clients or prospective clients in this state as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

(h) **[Continuing education.]**

A rule adopted or order issued under this ~~Act~~ act may require an individual registered under Section 402 or 404 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization or, in the absence of such a program, a rule adopted or order issued under this ~~Act~~ act may require continuing education for an individual registered under Section 404.

**SECTION 412. DENIAL, REVOCATION, SUSPENSION, WITHDRAWAL, RESTRICTION, CONDITION, OR LIMITATION OF REGISTRATION.**

(a) **[Disciplinary conditions-applicants.]** If the administrator or secretary of state finds that the order is in the public interest and subsection (d) authorizes the action, an order issued under this ~~Act~~ act may deny an application, or may condition or limit registration of an applicant to be a broker-dealer, agent, investment adviser, or investment adviser representative, and, if the applicant is a broker-dealer or investment adviser, of a partner, officer, director, or person having a similar status or performing similar functions, or a person directly or indirectly in control, of the broker-dealer or investment adviser.

**17-4-106. Broker-dealers and agents; denial, revocation, suspension, cancellation or withdrawal of registration.**

(a) The secretary of state\*

(i) That the order is in the public interest; and

\*may by order deny, suspend, make conditional or probationary or revoke any registration or may impose a civil penalty, require restitution to investors, censure or reprimand, require remedial training, impose special reporting requirements or impose other conditions.

(b) [Disciplinary conditions – registrants.] If the administrator secretary of state finds that the order is in the public interest and subsection (d) authorizes the action, an order issued under this [Act] act may revoke, suspend, condition, or limit the registration of a registrant and, if the registrant is a broker-dealer or investment adviser, of a partner, officer, director, or person having a similar status or performing similar functions, or a person directly or indirectly in control, of the broker-dealer or investment adviser. However, the administrator secretary of state may not:

(1) institute a revocation or suspension proceeding under this subsection based on an order issued under a law of another state that is reported to the administrator secretary of state or a designee of the administrator secretary of state more than one (1) year after the date of the order on which it is based; or

(2) under subsection (d)(5)(A) or (B), issue an order on the basis of an order issued under the securities act of another state unless the other order was based on conduct for which subsection (d) would authorize the action had the conduct occurred in this state.

(c) [Disciplinary penalties – registrants.] If the administrator secretary of state finds that the order is in the public interest and subsection (d)(1) through (6), (8), (9), (10), or (12) and (13) authorizes the action, an order under this [Act] act may censure, impose a bar, or impose a civil penalty in an amount not to exceed a maximum of \$[ ] five thousand dollars (\$5,000.00) for a single violation or \$[ ] fifty thousand dollars (\$50,000.00) for more than one violation, on a registrant, and, if the registrant is a broker-dealer or investment adviser, a partner, officer, director, or person having a similar status or performing similar functions, or a person directly or indirectly in control, of the broker-dealer or

17-4-106(a)(i) continued  
which he determines to be in the public interest, against any registration or registered person if he finds:

(ii) That the applicant or registrant or, in the case of a broker-dealer, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer:

17-4-106(a)(ii)(F)  
(I) The secretary of state may not institute a revocation or suspension proceeding under subparagraph (F) more than one (1) year from the date of the order relied on; and

(II) He may not enter an order under subparagraph (F) on the basis of an order under another state act unless that order was based on facts which would currently constitute a ground for an order under this section.

17-4-106 in pertinent part  
(a) The secretary of state\*  
(i) That the order is in the public interest; and \*or may impose a civil penalty, require restitution to investors, censure or reprimand, require remedial training, impose special reporting requirements or impose other conditions,

Increase Civil Penalty

investment adviser.

(d) [Grounds for discipline.] A person may be disciplined under subsections (a) through (c) if the person:

(1) has filed an application for registration in this state under this [Act] act or the predecessor act within the previous 10 years, which, as of the effective date of registration or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained a statement that, in light of the circumstances under which it was made, was false or misleading with respect to a material fact;

(2) willfully violated or willfully failed to comply with this [Act] act or the predecessor act or a rule adopted or order issued under this [Act] act or the predecessor act within the previous 10 years;

(3) has been convicted of a felony or within the previous ten (10) years has been convicted of a misdemeanor involving a security, a commodity future or option contract, or an aspect of a business involving securities, commodities, investments, franchises, insurance, banking, or finance;

(4) is enjoined or restrained by a court of competent jurisdiction in an action instituted by the administrator secretary of state under this [Act] act or the predecessor act, a state, the Securities and Exchange Commission, or the United States from engaging in or continuing an act, practice, or course of business involving an aspect of a business involving securities, commodities, investments, franchises, insurance, banking, or finance;

(5) is the subject of an order, issued after notice and opportunity for hearing by:

17-4-106(a)(ii)

(A) Has filed an application for registration which as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact;

(B) Has willfully violated or willfully failed to comply with any provision of this act or a predecessor act or any rule or order under this act or a predecessor act;

17-4-106(a)(ii)C

\*any felony;

(C) Has been convicted, within the past ten (10) years, of any misdemeanor involving a security or any aspect of the securities business, or\*

(D) Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business;

(E) Is the subject of an order of the secretary of state denying, suspending, or revoking registration as a broker-dealer or agent;

(A) the securities, depository institution, insurance, or other financial services regulator of a state or by the Securities and Exchange Commission or other federal agency denying, revoking, barring, or suspending registration as a broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative;

(B) the securities regulator of a state or the Securities and Exchange Commission against a broker-dealer, agent, investment adviser, investment adviser representative, or federal covered investment adviser;

(C) the Securities and Exchange Commission or a self-regulatory organization suspending or expelling the registrant from membership in the self-regulatory organization;

(D) a court adjudicating a United States Postal Service fraud order;

(E) the insurance regulator of a state denying, suspending, or revoking registration as an insurance agent; or

(F) a depository institution regulator suspending or barring the person from the depository institution business;

(6) is the subject of an adjudication or determination, after notice and opportunity for hearing, by the Securities and Exchange Commission, the Commodity Futures Trading Commission; the Federal Trade Commission; a federal depository institution regulator, or a depository institution, insurance, or other financial services regulator of a State that the person willfully violated the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or the Commodity Exchange Act, the securities or

(F) Is the subject of an order entered within the past five (5) years by the securities administrator of any other state or by the securities and exchange commission denying or revoking registration as a broker-dealer, agent, or investment adviser, or the substantial equivalent of those terms as defined in this act, or

(F) continued  
is the subject of an order of the securities and exchange commission suspending or expelling him from a national securities exchange or national securities association registered under the Securities Exchange Act of 1934, or is the subject of a United States post office fraud order; but:

commodities law of a State, or a federal or state law under which a business involving investments, franchises, insurance, banking, or finance is regulated;

(7) is insolvent, either because the person's liabilities exceed the person's assets or because the person cannot meet the person's obligations as they mature, but the administrator or secretary of state may not enter an order against an applicant or registrant under this paragraph without a finding of insolvency as to the applicant or registrant;

(8) refuses to allow or otherwise impedes the administrator or secretary of state from conducting an audit or inspection under Section 411(d) or refuses access to a registrant's office to conduct an audit or inspection under Section 411(d);

(9) has failed to reasonably supervise an agent, investment adviser representative, or other individual, if the agent, investment adviser representative, or other individual was subject to the person's supervision and committed a violation of this Act or the predecessor act or a rule adopted or order issued under this Act or the predecessor act within the previous 10 years;

(10) has not paid the proper filing fee within 30 days after having been notified by the administrator or secretary of state of a deficiency, but the administrator or secretary of state shall vacate an order under this paragraph when the deficiency is corrected;

17-4-106(a)(ii)

(H) Is insolvent, either in the sense that his liabilities exceed his assets or in the sense that he cannot meet his obligations as they mature; but the secretary of state may not enter an order against a broker-dealer under this clause without a finding of insolvency as to the broker-dealer; or

17-4-106

(b) The secretary of state may by order deny, suspend, or revoke any registration if he finds:

(i) That the order is in the public interest; and

(ii) That the applicant or registrant:

(A) Has failed reasonably to supervise his agents if he is a broker-dealer; or

(B) Has failed to pay the proper filing fee; but the secretary of state may enter only a denial order under this subparagraph, and he shall vacate any such order when the deficiency has been corrected.

(11) after notice and opportunity for a hearing, has been found within the previous 10 years:

(A) by a court of competent jurisdiction to have willfully violated the laws of a foreign jurisdiction under which the business of securities, commodities, investment, franchises, insurance, banking, or finance is regulated;

(B) to have been the subject of an order of a securities regulator of a foreign jurisdiction denying, revoking, or suspending the right to engage in the business of securities as a broker-dealer, agent, investment adviser, investment adviser representative, or similar person; or

(C) to have been suspended or expelled from membership by or participation in a securities exchange or securities association operating under the securities laws of a foreign jurisdiction;

(12) is the subject of a cease and desist order issued by the Securities and Exchange Commission or issued under the securities, commodities, investment, franchise, banking, finance, or insurance laws of a state;

(13) has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous 10 years; or

(14) is not qualified on the basis of factors such as training, experience, and knowledge of the securities business. However, in the case of an application by an agent for a broker-dealer that is a member of a self-regulatory organization or by an individual for registration as an investment adviser representative, a denial order may not be based on this paragraph if the individual has successfully

17-4-106(a)(ii)

(G) Has engaged in dishonest or unethical practices in the securities business;

(J) Is not qualified on the basis of such factors as training, experience, and knowledge of the securities business, except as otherwise provided in subsection (b) of this section.

17-4-106

(d) The following provisions govern the application of

completed all examinations required by subsection (e). The administrator secretary of state may require an applicant for registration under Section 402 or 404 who has not been registered in a state within the two years preceding the filing of an application in this state to successfully complete an examination.

(e) [Examinations.] A rule adopted or order issued under this [Act] act may require that an examination, including an examination developed or approved by an organization of securities regulators, be successfully completed by a class of individuals or all individuals. An order issued under this [Act] act may waive, in whole or in part, an examination as to an individual and a rule adopted under this [Act] act may waive, in whole or in part, an examination as to a class of individuals if the administrator secretary of state determines that the examination is not necessary or appropriate in the public interest and for the protection of investors.

(f) [Summary process.] The administrator secretary of state may suspend or deny an application summarily; restrict, condition, limit, or suspend a registration; or censure, bar, or

W.S. 17-4-106(a)(ii)(J):

(i) The secretary of state may not enter an order against a broker-dealer on the basis of the lack of qualification of any person other than:

(A) The broker-dealer himself if he is an individual; or

(B) An agent of the broker-dealer.

(ii) The secretary of state may not enter an order solely on the basis of lack of experience if the applicant or registrant is qualified by training or knowledge or both;

(iii) The secretary of state shall consider that an agent who will work under the supervision of a registered broker-dealer need not have the same qualifications as a broker-dealer;

17-4-106(d)

(iv) The secretary of state may by rule provide for an examination, which may be written or oral or both, to be taken by any class of or all applicants, and provide for a reasonable fee to be paid before the examination is taken.

17-4-106

(e) The secretary of state may by order summarily postpone or suspend registration pending final determination of any proceeding under this section.

impose a civil penalty on a registrant before final determination of an administrative proceeding. Upon the issuance of an order, the administrator secretary of state shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that within fifteen (15) days after the receipt of a request in a record from the person the matter will be scheduled for a hearing. If a hearing is not requested and none is ordered by the administrator secretary of state within 30 days after the date of service of the order, the order becomes final by operation of law. If a hearing is requested or ordered, the administrator secretary of state, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination.

(g) [Procedural requirements.] An order issued may not be issued under this section, except under subsection (f), without:

- (1) appropriate notice to the applicant or registrant;
- (2) opportunity for hearing; and
- (3) findings of fact and conclusions of law in a record in accordance with the state administrative procedure act Wyoming Administrative Procedure Act.

(h) [Control person liability.] A person that controls, directly or indirectly, a person not in compliance with this section may be disciplined by order of the administrator secretary of state under subsections (a) through (c) to the same extent as the noncomplying person, unless the controlling person did not know, and in the exercise of reasonable care could not have known, of the existence of conduct that is a

Upon entry of the order, the secretary of state shall promptly notify the applicant or registrant, as well as the employer or prospective employer if the applicant or registrant is an agent, that it has been entered and of the reasons therefor and that within fifteen (15) days after the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the secretary of state, the order will remain in effect until it is modified or vacated by the secretary of state. If hearing is requested or ordered, the secretary of state, after notice of and opportunity for hearing, may modify or vacate the order or extend it until final determination.

17-4-106

(h) No order may be entered under any part of this section except the first sentence of subsection (e) without:

- (i) Appropriate notice to the applicant or registrant (as well as the employer or prospective employer if the applicant or registrant is an agent);
- (ii) Opportunity for hearing; and
- (iii) Written findings of fact and conclusions of law.

<p>ground for discipline under this section.</p> <p><b>(i) [Limit on investigation or proceeding.]</b></p> <p>The <del>administrator</del> <i>secretary of state</i> may not institute a proceeding under subsection(a), (b), or (c) based solely on material facts actually known by the <del>administrator</del> <i>secretary of state</i> unless an investigation or the proceeding is instituted within one year after the <del>administrator</del> <i>secretary of state</i> actually acquires knowledge of the material facts.</p>	<p>17-4-106</p> <p>(c) The secretary of state may not institute a suspension or revocation proceeding on the basis of a fact or transaction known to him when registration became effective unless the proceeding is instituted within the next thirty (30) days.</p> <p>17-4-106</p> <p>(j) Any order imposing a civil penalty, assessing costs, requiring restitution or imposing any other monetary penalty shall be entered in accordance with the provisions of W.S. 17-4-124(f). Civil and monetary penalties other than costs and restitution shall be collected and paid to the state treasurer and credited as provided in W.S. 8-1-109.</p>	<p>Increased to one year</p>
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# Article 5

New Securities Act	Current Wyoming Securities Act	Analysis
<p data-bbox="379 264 741 326"><b>ARTICLE 5 FRAUD AND LIABILITIES</b></p> <p data-bbox="185 396 924 496"><b>SECTION 501. GENERAL FRAUD.</b> It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:</p> <ul data-bbox="185 532 924 865" style="list-style-type: none"><li>(1) to employ a device, scheme, or artifice to defraud;</li><li>(2) to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or</li><li>(3) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.</li></ul> <p data-bbox="185 935 876 997"><b>SECTION 502. PROHIBITED CONDUCT IN PROVIDING INVESTMENT ADVICE.</b></p> <p data-bbox="185 1032 924 1268">(a) [Fraud in providing investment advice.] It is unlawful for a person that advises others for compensation, either directly or indirectly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities:</p> <ul data-bbox="185 1304 924 1365" style="list-style-type: none"><li>(1) to employ a device, scheme, or artifice to defraud another person; or</li></ul>	<p data-bbox="956 297 1682 358"><b>17-4-101. Fraudulent practices prohibited in securities sales and purchases.</b></p> <p data-bbox="956 396 1682 457">(a) It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly:</p> <ul data-bbox="956 493 1682 865" style="list-style-type: none"><li>(i) To employ any device, scheme, or artifice to defraud;</li><li>(ii) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or</li><li>(iii) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.</li></ul> <p data-bbox="956 935 1682 997"><b>17-4-102. Fraudulent practices prohibited in advisory activities.</b></p> <p data-bbox="956 1065 1682 1230">(a) It is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise:</p> <ul data-bbox="956 1304 1682 1365" style="list-style-type: none"><li>(i) To employ any device, scheme, or artifice to defraud the other person; or</li></ul>	

(2) to engage in **an** act, practice, or course of business **that** operates or would operate as a fraud or deceit upon **another** person.

(b) **[Rules defining fraud.]** A rule adopted under this ~~{Act}~~ act may define an act, practice, or course of business of an investment adviser or an investment adviser representative, other than a supervised person of a federal covered investment adviser, as fraudulent, deceptive, or manipulative, and prescribe means reasonably designed to prevent investment advisers and investment adviser representatives, other than supervised persons of a federal covered investment adviser, from engaging in acts, practices, and courses of business defined as fraudulent, deceptive, or manipulative.

(c) **[Rules specifying contents of advisory contract.]** A rule adopted under this ~~{Act}~~ act may specify the contents of an investment advisory contract entered into, extended, or renewed by an investment adviser.

**SECTION 503. EVIDENTIARY BURDEN.**

(a) **[Civil.]** In a civil action or administrative proceeding under this ~~{Act}~~ act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the claim.

(b) **[Criminal.]** In a criminal proceeding under this ~~{Act}~~ act, a person claiming an exemption, exception, preemption, or exclusion has the burden of going forward with evidence of the claim.

(ii) To engage in **any** act, practice, or course of business **which** operates or would operate as a fraud or deceit upon **the other** person.

17-4-114

(d) In **any** proceeding under this act, the burden of **proving** an exemption **or an** exception **from a definition is upon the person** claiming it.

Rule making authority for investment advisers or investment adviser representatives

Civil and Criminal

**SECTION 504. FILING OF SALES AND ADVERTISING LITERATURE.**

(a) [Filing requirement.] Except as otherwise provided in subsection (b), a rule adopted or order issued under this ~~Act~~ act may require the filing of a prospectus, pamphlet, circular, form letter, advertisement, sales literature, or other advertising record relating to a security or investment advice, addressed or intended for distribution to prospective investors, including clients or prospective clients of a person registered or required to be registered as an investment adviser under this ~~Act~~ act.

(b) [Excluded communications.] This section does not apply to sales and advertising literature specified in subsection (a) which relates to a federal covered security, a federal covered investment adviser, or a security or transaction exempted by Section 201, 202, or 203 except as required pursuant to Section 201(7).

**SECTION 505. MISLEADING FILINGS.** It is unlawful for a person to make or cause to be made, in a record that is used in an action or proceeding or filed under this ~~Act~~ act, a statement that, at the time and in the light of the circumstances under which it is made, is false or misleading in a material respect, or, in connection with the statement, to omit to state a material fact necessary to make the statement made, in the light of the circumstances under which it was made, not false or misleading.

**SECTION 506. MISREPRESENTATIONS CONCERNING REGISTRATION OR EXEMPTION.** The filing of an application for registration, a registration

**17-4-115. Filing of sales and advertising literature.**

The secretary of state may by rule or order require the filing of any prospectus, pamphlet, circular, form letter, advertisement, or other sales literature or advertising communication addressed or intended for distribution to prospective investors,

unless the security or transaction is exempted by W.S. 17-4-114 or is a covered security.

**17-4-116. False statements in documents or proceedings.**

It is unlawful for any person to make or cause to be made, in any document filed with the secretary of state or in any proceeding under this act, any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect.

**17-4-117. Unlawful representations concerning approval of registration or exemption.**

(a) Neither the fact that an application for registration

Adding omissions

statement, a notice filing under this ~~{Act}~~ act, the registration of a person, the notice filing by a person, or the registration of a security under this ~~{Act}~~ act does not constitute a finding by the ~~administrator~~ secretary of state that a record filed under this ~~{Act}~~ act is true, complete, and not misleading. The filing or registration or the availability of an exemption, exception, preemption, or exclusion for a security or a transaction does not mean that the ~~administrator~~ secretary of state has passed upon the merits or qualifications of, or recommended or given approval to, a person, security, or transaction.

It is unlawful to make, or cause to be made, to a purchaser, customer, client, or prospective customer or client a representation inconsistent with this section.

**SECTION 507. QUALIFIED IMMUNITY.** A broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative is not liable to another broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative for defamation relating to a statement that is contained in a record required by the ~~administrator~~ secretary of state, or designee of the ~~administrator~~ secretary of state, the Securities and Exchange Commission, or a self-regulatory organization, unless the person knew, or should have known at the time that the statement was made, that it was false in a material respect or the person acted in reckless disregard of the statement's truth or falsity.

**SECTION 508. CRIMINAL PENALTIES.**

(a) **[Criminal penalties.]** A person that willfully violates this ~~{Act}~~ act, or a rule adopted or order issued under this ~~{Act}~~ act, except Section 504 or the notice

under W.S. 17-4-103 through 17-4-106 or a registration statement under W.S. 17-4-107 through 17-4-112 has been filed nor the fact that a person or security is effectively registered constitutes a finding by the secretary of state that any document filed under this act is true, complete, and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the secretary of state has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security, or transaction.

(b) It is unlawful to make, or cause to be made, to any prospective purchaser, customer, or client any representation inconsistent with subsection (a) of this section.

**17-4-121. Penalties for violations.**

(a) Any person who willfully violates any provision of this act except W.S. 17-4-116 or who willfully violates any rule or order under this act, or who willfully violates W.S. 17-4-116

New language regarding Form U-4 or Form U-5 Disclosures  
Firms would not fully disclosure disciplinary problems out of fear of state law defamation claims.

filing requirements of Section 302 or 405, or that willfully violates Section 505 knowing the statement made to be false or misleading in a material respect, upon conviction, shall be fined not more than \$[ ] five thousand dollars (\$5,000) or imprisoned not more than [ ] three (3) years, or both. An individual convicted of violating a rule or order under this [Act] act may be fined, but may not be imprisoned, if the individual did not have knowledge of the rule or order.

(b) [Criminal reference not required.] The [Attorney General or the proper prosecuting attorney] attorney general or prosecuting attorney with or without a reference from the administrator secretary of state, may institute criminal proceedings under this [Act] act.

(c) [No limitation on other criminal enforcement.] This [Act] act does not limit the power of this state to punish a person for conduct that constitutes a crime under other laws of this state.

#### SECTION 509. CIVIL LIABILITY.

(a) [Securities Litigation Uniform Standards Act.] Enforcement of civil liability under this section is subject to the Securities Litigation Uniform Standards Act of 1998.

(b) [Liability of seller to purchaser.] A person is liable to the purchaser if the person sells a security in violation of Section 301 or, by means of an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading, the

knowing the statement made to be false or misleading in any material respect, shall upon conviction be fined not more than five thousand dollars (\$5,000.00) or imprisoned not more than three (3) years, or both; but no person may be imprisoned for the violation of any rule or order if he proves that he had no knowledge of the rule or order.

(b) The secretary of state may refer such evidence as is available concerning violations of this act or of any rule or order hereunder to the attorney general who may, with or without such a reference, institute the appropriate criminal proceedings under this act.

(c) Nothing in this act limits the power of the state to punish any person for any conduct which constitutes a crime by statute or at common law.

#### 17-4-122. Civil liability of sellers violating provisions.

(a) Any person who:

(i) Offers or sells a security in violation of W.S. 17-4-103(a), 17-4-107, or 17-4-117(b) or of any rule or order under W.S. 17-4-115 which requires the affirmative approval of sales literature before it is used, or of any condition imposed under W.S. 17-4-110(d), 17-4-111(g), or 17-4-111(h); or

(ii) Offers or sells a security by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading (the buyer not knowing of the untruth or omission), and who

The Securities Litigation Uniform Standards Act of 1998 modifies and updates this entire section.

**purchaser** not knowing the untruth or omission and **the seller** not sustaining the burden of proof that **the seller** did not know and, in the exercise of reasonable care, could not have known of the untruth or omission. **An action under this subsection is governed by the following:**

(1) **The purchaser may maintain an action to recover the consideration paid for the security, less the amount of any income received on the security, and interest [at the legal rate of interest] at six percent (6%) per year from the date of the purchase, costs, and reasonable attorneys' fees determined by the court, upon the tender of the security, or for actual damages as provided in paragraph (3).**

(2) **The tender referred to in paragraph (1) may be made any time before entry of judgment. Tender requires only notice in a record of ownership of the security and willingness to exchange the security for the amount specified. A purchaser that no longer owns the security may recover actual damages as provided in paragraph (3).**

(3) **Actual damages in an action arising under this subsection are the amount that would be recoverable upon a tender less the value of the security when the purchaser disposed of it, and interest [at the legal rate of interest] at six percent (6%) per year from the date of the purchase, costs, and reasonable attorneys' fees determined by the court.**

(c) **[Liability of purchaser to seller.] A person is liable to the seller if the person buys a security by means of an untrue statement of a material fact or omission to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading, the seller not knowing of the untruth or omission, and the purchaser not sustaining the burden of proof that the**

**does** not sustain the burden of proof that **he** did not know, and in the exercise of reasonable care could not have known, of the untruth or omission, **is liable to the person buying the security from him.**

(ii) continued  
**who may sue either at law or in equity to recover the consideration paid for the security, together with interest at six percent (6%) per year from the date of payment, costs, and reasonable attorneys' fees, less the amount of any income received on the security, upon the tender of the security, or for damages if he no longer owns the security.**

17-4-122  
(c) **Any tender specified in this section** may be made at any time before entry of judgment.

17-4-122(a)(ii) continued  
Damages are the amount that would be recoverable upon a tender less the value of the security when the **buyer** disposed of it and interest at six percent (6%) per year from the date of **disposition.**

New language on liability of purchaser to seller

purchaser did not know, and in the exercise of reasonable care, could not have known of the untruth or omission. An action under this subsection is governed by the following:

(1) The seller may maintain an action to recover the security, and any income received on the security, costs, and reasonable attorneys' fees determined by the court, upon the tender of the purchase price, or for actual damages as provided in paragraph (3).

(2) The tender referred to in paragraph (1) may be made any time before entry of judgment. Tender requires only notice in a record of the present ability to pay the amount tendered and willingness to take delivery of the security for the amount specified. If the purchaser no longer owns the security, the seller may recover actual damages as provided in paragraph (3).

(3) Actual damages in an action arising under this subsection are the difference between the price at which the security was sold and the value the security would have had at the time of the sale in the absence of the purchaser's conduct causing liability, and interest ~~at the legal rate of interest~~ *at six percent (6%) per year* from the date of the sale of the security, costs, and reasonable attorneys' fees determined by the court.

**(d) [Liability of unregistered broker-dealer and agent.]** A person acting as a broker-dealer or agent that sells or buys a security in violation of Section 401(a), 402(a), or 506 is liable to the customer. The customer, if a purchaser, may maintain an action for recovery of actual damages as specified in subsections (b)(1) through (3), or, if a seller, for a remedy as specified in subsections (c)(1) through (3).

**(e) [Liability of unregistered investment**

**adviser and investment adviser representative.]** A person acting as an investment adviser or investment adviser representative that provides investment advice for compensation in violation of Section 403(a), 404(a), or 506 is liable to the client. The client may maintain an action to recover the consideration paid for the advice, interest ~~at the legal rate of interest~~ *six percent (6%) per year* from the date of payment, costs, and reasonable attorneys' fees determined by the court.

(f) **[Liability for investment advice.]** A person that receives directly or indirectly any consideration for providing investment advice to another person and that employs a device, scheme, or artifice to defraud the other person or engages in an act, practice, or course of business that operates or would operate as a fraud or deceit on the other person, is liable to the other person. An action under this subsection is governed by the following:

(1) The person defrauded may maintain an action to recover the consideration paid for the advice and the amount of any actual damages caused by the fraudulent conduct, interest ~~at the legal rate of interest~~ *at six percent (6%) per year* from the date of the fraudulent conduct, costs, and reasonable attorneys' fees determined by the court, less the amount of any income received as a result of the fraudulent conduct.

(2) This subsection does not apply to a broker-dealer or its agents if the investment advice provided is solely incidental to transacting business as a broker-dealer and no special compensation is received for the investment advice.

(g) **[Joint and several liability.]** The following persons are liable jointly and severally with and to the same extent as persons liable under subsections (b) through

(f):

(1) a person that directly or indirectly controls a person liable under subsections (b) through (f), unless the controlling person sustains the burden of proof that the person did not know, and in the exercise of reasonable care could not have known, of the existence of conduct by reason of which the liability is alleged to exist;

(2) an individual who is a managing partner, executive officer, or director of a person liable under subsections (b) through (f), including an individual having a similar status or performing similar functions, unless the individual sustains the burden of proof that the individual did not know and, in the exercise of reasonable care could not have known, of the existence of conduct by reason of which the liability is alleged to exist;

(3) an individual who is an employee of or associated with a person liable under subsections (b) through (f) and who materially aids the conduct giving rise to the liability, unless the individual sustains the burden of proof that the individual did not know and, in the exercise of reasonable care could not have known, of the existence of conduct by reason of which the liability is alleged to exist; and

(4) a person that is a broker-dealer, agent, investment adviser, or investment adviser representative that materially aids the conduct giving rise to the liability under subsections (b) through (f), unless the person sustains the burden of proof that the person did not know and, in the exercise of reasonable care could not have known, of the existence of conduct by reason of which liability is alleged to exist.

17-4-122

(b) Every person who directly or indirectly controls a seller liable under subsection (a) of this section,\* sustains the burden of proof that he did not know, and in exercise of reasonable care could not have known, of the existence of the facts by reason of which the liability is alleged to exist

\*every partner, officer, or director of such a seller, every person occupying a similar status or performing similar functions,

(b) continued  
every employee of such a seller who materially aids in the sale,

(b) continued  
and every broker-dealer or agent who materially aids in the sale are also liable jointly and severally with and to the same extent as the seller, unless the nonseller who is so liable

(h) **[Right of contribution.]** A person liable under this section has a right of contribution as in cases of contract against any other person liable under this section for the same conduct.

(i) **[Survival of cause of action.]** A cause of action under this section survives the death of an individual who might have been a plaintiff or defendant.

(j) **[Statute of limitations.]** A person may not obtain relief:

(1) under subsection (b) for violation of Section 301, or under subsection (d) or (e), unless the action is instituted within one (1) year after the violation occurred; or

(2) under subsection (b), other than for violation of Section 301, or under subsection (c) or (f), unless the action is instituted within the earlier of two (2) years after discovery of the facts constituting the violation or five (5) years after the violation.

(k) **[No enforcement of violative contract.]** A person that has made, or has engaged in the performance of, a contract in violation of this ~~Act~~ act or a rule adopted or order issued under this ~~Act~~ act, or that has acquired a purported right under the contract with knowledge of conduct by reason of which its making or performance was in violation of this ~~Act~~ act, may not base an action on the contract.

(l) **[No contractual waiver.]** A condition, stipulation, or provision binding a person purchasing or selling a security or receiving investment advice to waive compliance with this ~~Act~~ act or a rule adopted or order issued under this ~~Act~~ act is void.

(b) continued  
There is contribution as in cases of contract among the several persons so liable.

(d) Every cause of action under this act survives the death of any person who might have been a plaintiff or defendant.

17-4-122 (e) in pertinent part  
No person may sue

under this section more than two (2) years after the contract of sale.

(f) No person who has made or engaged in the performance of any contract in violation of any provision of this act or any rule or order hereunder, or who has acquired any purported right under any such contract with knowledge of the facts by reason of which its making or performance was in violation, may base any suit on the contract.

(g) Any condition, stipulation, or provision binding any person acquiring any security to waive compliance with any provision of this act or any rule or order hereunder is void.

2 years after discover and 5 years after the violation

<p>(m) <b>[Survival of other rights or remedies.]</b>  The rights and remedies provided by this <del>{Act}</del> act are in addition to any other rights or remedies that may exist, but this <del>{Act}</del> act does not create a cause of action not specified in this section or <b>Section 411(e).</b></p> <p><b>SECTION 510. RESCISSION OFFERS.</b> A purchaser, seller, or recipient of investment advice may not maintain an action under Section 509 if:</p> <p>(1) The purchaser, seller, or recipient of investment advice receives in a record, before the action is instituted:</p> <p>(A) an offer stating the respect in which liability under Section 509 may have arisen and fairly advising the purchaser, seller, or recipient of investment advice of that person's rights in connection with the offer, and any financial or other information necessary to correct all material misrepresentations or omissions in the information that was required by this <del>{Act}</del> act to be furnished to that person at the time of the purchase, sale, or investment advice;</p> <p>(B) if the basis for relief under this section may have been a violation of Section 509(b), an offer to repurchase the security for cash, payable on delivery of the security, equal to the consideration paid, and interest <del>{at the legal rate of interest}</del> at six percent (6%) per year from the date of <b>the purchase</b>, less the amount of any income received on the security,</p> <p>or, if the purchaser no longer owns the security, an offer to pay the purchaser upon acceptance of the offer damages in an amount that would be recoverable upon a tender, less the value of the security when the purchaser disposed of it, and interest <del>{at the legal rate of interest}</del> at six</p>	<p>(h) The rights and remedies provided by this act are in addition to any other rights or remedies that may exist <b>at law or in equity</b>, but this act does not create <b>any</b> cause of action not specified in this section or <b>W.S. 17-4-104(e).</b></p> <p>17-4-122 (e) in pertinent part  <b>No person may sue</b> under <b>this</b> section:</p> <p>17-4-122 (e) continued</p> <p><b>(i) If the buyer received a written offer, before suit and at a time when he owned the security, to refund the consideration paid together with interest at six percent (6%) per year from the date of payment, less the amount of any income received on the security, and he failed to accept the offer within thirty (30) days of its receipt; or</b></p> <p><b>(ii) If the buyer received such an offer before suit and at a time when he did not own the security,</b></p>	<p>More comprehensive language on rescission offers</p>
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percent (6%) per year from the date of the purchase in cash equal to the damages computed in the manner provided in this subsection;

(C) if the basis for relief under this section may have been a violation of Section 509(c), an offer to tender the security, on payment by the seller of an amount equal to the purchase price paid, less income received on the security by the purchaser and interest ~~at the legal rate of interest~~ at six percent (6%) per year from the date of the sale; or if the purchaser no longer owns the security, an offer to pay the seller upon acceptance of the offer, in cash, damages in the amount of the difference between the price at which the security was purchased and the value the security would have had at the time of the purchase in the absence of the purchaser's conduct that may have caused liability and interest ~~at the legal rate of interest~~ at six percent (6%) per year from the date of the sale;

(D) if the basis for relief under this section may have been a violation of Section 509(d); and if the customer is a purchaser, an offer to pay as specified in subparagraph (B); or, if the customer is a seller, an offer to tender or to pay as specified in subparagraph (C);

(E) if the basis for relief under this section may have been a violation of Section 509(e), an offer to reimburse in cash the consideration paid for the advice and interest ~~at the legal rate of interest~~ at six percent (6%) per year from the date of payment; or

(F) if the basis for relief under this section may have been a violation of Section 509(f), an offer to reimburse in cash the consideration paid for the advice, the amount of any actual damages that may have been caused by the conduct, and interest ~~at the legal rate of interest~~ at six

percent (6%) per year from the date of the violation causing the loss;

(2) the offer under paragraph 1 states that it must be accepted by the purchaser, seller, or recipient of investment advice within thirty (30) days after the date of its receipt by the purchaser, seller, or recipient of investment advice or any shorter period, of not less than three days, that the administrator *secretary of state*, by order, specifies;

(3) the offeror has the present ability to pay the amount offered or to tender the security under paragraph (1);

(4) the offer under paragraph (1) is delivered to the purchaser, seller, or recipient of investment advice, or sent in a manner that ensures receipt by the purchaser, seller, or recipient of investment advice; and

(5) the purchaser, seller, or recipient of investment advice that accepts the offer under paragraph (1) in a record within the period specified under paragraph (2) is paid in accordance with the terms of the offer.

17-4-122(e)(ii) continued  
unless he rejected the offer in writing within thirty (30) days of its receipt.

# Article 6

New Securities Act	Current Wyoming Securities Act	Analysis
<p style="text-align: center;"><b>ARTICLE 6</b> <b>ADMINISTRATION AND JUDICIAL REVIEW</b></p> <p style="text-align: center;"><b>SECTION 601. ADMINISTRATION.</b></p> <p>(a) <b>[Administration.]</b> The administrator secretary of state shall administer this <del>{Act}</del> act.</p> <p>(b) <b>[Unlawful use of records or information.]</b> It is unlawful for the administrator secretary of state or an officer, employee, or designee of the administrator secretary of state to use for personal benefit or the benefit of others records or other information obtained by or filed with the administrator secretary of state that are not public under Section 607(b). This <del>{Act}</del> act does not authorize the administrator secretary of state or an officer, employee, or designee of the administrator secretary of state to disclose the record or information, except in accordance with Section 602, 607(c), or 608.</p> <p>(c) <b>[No privilege or exemption created or diminished.]</b> This <del>{Act}</del> act does not create or diminish a privilege or exemption that exists at common law, by statute or rule, or otherwise.</p> <p>(d) <b>[Investor education.]</b> The administrator secretary of state may develop and implement investor education initiatives to inform the public about investing in securities, with particular emphasis on the prevention and detection of securities fraud. In developing and implementing these initiatives, the administrator secretary of state may collaborate with public and nonprofit organizations with an interest in investor education. The administrator secretary of state may accept a grant or donation from a person that is not affiliated with the securities industry or from a nonprofit</p>	<p><b>17-4-118. Administration of provisions; use or disclosure of information by secretary of state or employees.</b></p> <p>(a) This act shall be administered by the secretary of state.</p> <p>(b) It is unlawful for the secretary of state or any of his officers or employees to use for personal benefit any information which is filed with or obtained by the secretary of state and which is not made public. No provision of this act authorizes the secretary of state or any of his officers or employees to disclose any such information except among themselves or when necessary or appropriate in a proceeding or investigation under this act.</p> <p>No provision of this act either creates or derogates from any privilege which exists at common law or otherwise when documentary or other evidence is sought under a subpoena directed to the administrator or any of his officers or employees.</p>	<p style="text-align: center;"><b>Analysis</b></p> <p style="text-align: center;">New language giving authority for Investor Education</p>

organization, regardless of whether the organization is affiliated with the securities industry, to develop and implement investor education initiatives. This subsection does not authorize the administrator secretary of state to require participation or monetary contributions of a registrant in an investor education program.

~~(e) [The Securities Investor Education and Training Fund.] The Securities Investor Education and Training Fund is created to provide funds for the purposes specified in subsection (d). [All monies received by the State by reason of civil penalties pursuant to this [Act] shall be deposited in the Securities Investor Education and Training Fund. The State may insert any other provision concerning appropriations to support this fund as well as procedures for its operations.]~~

~~(e) [The Securities Enforcement and Compliance Fund] The state treasurer shall credit sixty percent (60%) of all fees collected by the secretary of state under this act to the general fund and the balance to a separate account. Annually, on July 1, monies within the account in excess of three hundred fifty thousand dollars (\$350,000.00) shall be credited to the general fund. Pooled interest on the account shall be credited to the general fund.~~

~~(1) The secretary of state may expend money within the account provided by subsection (e) of this section as appropriated by the legislature to investigate, prosecute and otherwise ensure compliance with this act and to promote investor awareness which may include investment and antifraud publications and seminars.~~

~~(2) The secretary of state shall in a separate subprogram budget request, submit expenditure requests for purposes specified and from the account~~

**17-4-131. Disposition of fees.**

(a) The state treasurer shall credit sixty percent (60%) of all fees collected by the secretary of state under **W.S. 17-4-101 through 17-4-130** to the general fund and the balance to a separate account. Annually, on July 1, monies within the account in excess of three hundred fifty thousand dollars (\$350,000.00) shall be credited to the general fund. Pooled interest on the account shall be credited to the general fund.

(b) The secretary of state may expend money within the account provided by subsection (a) of this section as appropriated by the legislature to investigate, prosecute and otherwise ensure compliance with **W.S. 17-4-101 through 17-4-131** and to promote investor awareness which may include investment and antifraud publications and seminars.

(c) The secretary of state shall in a separate subprogram budget request, submit expenditure requests for purposes specified and from the account established by this section.

Use current WY language

Penalties are deposited in the Public School Fund per the WY Constitution

WY SEC FUND

established by this section.

## SECTION 602. INVESTIGATIONS AND SUBPOENAS.

(a) [Authority to investigate.] The administrator ~~secretary of state~~ may:

(1) conduct public or private investigations within or outside of this state which the administrator ~~secretary of state~~ considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate this ~~Act~~ act or a rule adopted or order issued under this ~~Act~~ act, or to aid in the enforcement of this ~~Act~~ act or in the adoption of rules and forms under this ~~Act~~ act;

(2) require or permit a person to testify, file a statement, or produce a record, under oath or otherwise as the administrator ~~secretary of state~~ determines, as to all the facts and circumstances concerning a matter to be investigated or about which an action or proceeding is to be instituted; and

(3) publish a record concerning an action, proceeding, or an investigation under, or a violation of, this ~~Act~~ act or a rule adopted or order issued under this ~~Act~~ act if the administrator ~~secretary of state~~ determines it is necessary or appropriate in the public interest and for the protection of investors.

(b) [Administrator powers to investigate.] For the purpose of an investigation under this ~~Act~~ act, the administrator ~~secretary of state~~ or its designated officer may administer oaths and affirmations, subpoena witnesses, seek compulsion of attendance, take evidence, require the filing of statements, and require the production of any records that the

## 17-4-119. Investigations; subpoenaing witnesses; production of documents.

(a) The secretary of state in his discretion:

(i) May make such public or private investigations within or outside of this state as he deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or order hereunder, or to aid in the enforcement of this act or in the prescribing of rules and forms hereunder;

(ii) May require or permit any person to file a statement in writing, under oath or otherwise as the secretary of state determines, as to all the facts and circumstances concerning the matter to be investigated; and

(iii) May publish information concerning any violation of this act or any rule or order hereunder.

(b) For the purpose of any investigation or proceeding under this act, the secretary of state or any officer designated by him may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the secretary of state deems relevant or material to the inquiry.

~~administrator~~ *secretary of state* considers relevant or material to the investigation.

(c) [Procedure and remedies for noncompliance.] If a person does not appear or refuses to testify, file a statement, produce records, or otherwise does not obey a subpoena as required by the ~~administrator~~ *secretary of state* under this [Act] act, the ~~administrator~~ *secretary of state* [may refer the matter to the Attorney General or ~~proper attorney prosecuting attorney, who~~ may apply to [insert name of the appropriate court] the Wyoming district court or a court of another state to enforce compliance. The court may:

(1) hold the person in contempt;

(2) order the person to appear before the ~~administrator~~ *secretary of state*;

(3) order the person to testify about the matter under investigation or in question;

(4) order the production of records;

(5) grant injunctive relief, including restricting or prohibiting the offer or sale of securities or the providing of investment advice;

(6) impose a civil penalty of not less than \$[ ] five thousand dollars (\$5,000.00) and not greater than \$[ ] fifty thousand (\$50,000.00) for each violation; and

(7) grant any other necessary or appropriate relief.

(d) [Application for relief.] This section

(c) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Wyoming district court, upon application by the secretary of state, may\*

Failure to obey the order of the court may be punished by the court as a contempt of court.

\*issue to the person an order requiring him to appear before the secretary of state or the officer designated by him, there

to produce documentary evidence if so ordered or to give evidence touching the matter under investigation or in question.

17-4-124(f)

(ii) A civil penalty levied under this subsection shall not exceed two hundred fifty dollars (\$250.00) for each violation per person nor ten thousand dollars (\$10,000.00) in a single proceeding against any one (1) person;

Increase Civil Penalty

does not preclude a person from applying to ~~insert name of appropriate court~~ Wyoming district court or a court of another state for relief from a request to appear, testify, file a statement, produce records, or obey a subpoena.

(e) [Use immunity procedure.] An individual is not excused from attending, testifying, filing a statement, producing a record or other evidence, or obeying a subpoena of the ~~administrator~~ secretary of state under this ~~Act~~ act or in an action or proceeding instituted by the ~~administrator~~ secretary of state under this ~~Act~~ act on the ground that the required testimony, statement, record, or other evidence, directly or indirectly, may tend to incriminate the individual or subject the individual to a criminal fine, penalty, or forfeiture. If the individual refuses to testify, file a statement, or produce a record or other evidence on the basis of the individual's privilege against self-incrimination, the ~~administrator~~ secretary of state may apply ~~to the name of the appropriate court~~ to the Wyoming district court to compel the testimony, the filing of the statement, the production of the record, or the giving of other evidence. The testimony, record, or other evidence compelled under such an order may not be used, directly or indirectly, against the individual in a criminal case, except in a prosecution for perjury or contempt or otherwise failing to comply with the order.

(f) [Assistance to securities regulator of another jurisdiction.] At the request of the securities regulator of another state or a foreign jurisdiction, the ~~administrator~~ secretary of state may provide assistance if the requesting regulator states that it is conducting an investigation to determine whether a person has violated, is violating, or is about to violate a law or rule of the other state or foreign jurisdiction relating to securities matters that the requesting regulator administers or enforces. The ~~administrator~~ secretary of state may provide the assistance by using the authority to

17-4-119

(d) No person is excused from attending and testifying or from producing any document or record before the secretary of state, or in obedience to the subpoena of the secretary of state or any officer designated by him, or in any proceeding instituted by the secretary of state, on the ground that the testimony or evidence (documentary or otherwise) required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual may be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after claiming his privilege against self-incrimination, to testify or produce evidence (documentary or otherwise), except that the individual testifying is not exempt from prosecution and punishment for perjury or contempt committed in testifying.

New language consistent with the Securities Litigation Uniform Standard Act of 1998

investigate and the powers conferred by this section as the administrator secretary of state determines is necessary or appropriate. The assistance may be provided without regard to whether the conduct described in the request would also constitute a violation of this [Act] act or other law of this state if occurring in this state. In deciding whether to provide the assistance, the administrator secretary of state may consider whether the requesting regulator is permitted and has agreed to provide assistance reciprocally within its state or foreign jurisdiction to the administrator secretary of state on securities matters when requested; whether compliance with the request would violate or prejudice the public policy of this state; and the availability of resources and employees of the administrator secretary of state to carry out the request for assistance.

**SECTION 603. CIVIL ENFORCEMENT.**

(a) [Civil action instituted by administrator.] If the administrator secretary of state believes that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this [Act] act or a rule adopted or order issued under this [Act] act or that a person has, is, or is about to engage in an act, practice, or course of business that materially aids a violation of this [Act] act or a rule adopted or order issued under this [Act] act, the administrator secretary of state may maintain an action in the [insert the name of the court] Wyoming district court to enjoin the act, practice, or course of business and to enforce compliance with this [Act] act or a rule adopted or order issued under this [Act] act.

(b) [Relief available.] In an action under this section and on a proper showing, the court may:

(1) issue a permanent or temporary

**17-4-120. Enjoining violations.**

Whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this act or any rule or order hereunder,

he may in his discretion bring an action in the Wyoming district court to enjoin the acts or practices and to enforce compliance with this act or any rule or order hereunder.

Upon a proper showing

a permanent or temporary injunction, restraining order,

injunction, restraining order, or declaratory judgment;

(2) order other appropriate or ancillary relief, which may include:

(A) an asset freeze, accounting, writ of attachment, writ of general or specific execution, and appointment of a receiver or conservator, that may be the administrator or secretary of state, for the defendant or the defendant's assets;

(B) ordering the administrator or secretary of state to take charge and control of a defendant's property, including investment accounts and accounts in a depository institution, rents, and profits; to collect debts; and to acquire and dispose of property;

(C) imposing a civil penalty up to \$[ ] five thousand dollars (\$5,000.00) for a single violation or up to \$[ ] fifty thousand dollars (\$50,000.00) for more than one violation; an order of rescission, restitution, or disgorgement directed to a person that has engaged in an act, practice, or course of business constituting a violation of this Act or the predecessor act or a rule adopted or order issued under this Act or the predecessor act; and

(D) ordering the payment of prejudgment and postjudgment interest; or

(3) order such other relief as the court considers appropriate.

(c) [No bond required.] The administrator or secretary of state may not be required to post a bond in an action or proceeding under this Act.

or writ of mandamus shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets.

17-4-124(f)

(ii) A civil penalty levied under this subsection shall not exceed two hundred fifty dollars (\$250.00) for each violation per person nor ten thousand dollars (\$10,000.00) in a single proceeding against any one (1) person;

17-4-120 continued

The court may not require the secretary of state to post a bond.

Increase Civil Penalty

**SECTION 604. ADMINISTRATIVE ENFORCEMENT.**

(a) **[Issuance of an order or notice.]** If the administrator secretary of state determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this ~~{Act}~~ act or a rule adopted or order issued under this ~~{Act}~~ act or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this ~~{Act}~~ act or a rule adopted or order issued under this ~~{Act}~~ act, the administrator secretary of state may:

(1) issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this ~~{Act}~~ act;

(2) issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under Section 401(b)(1)(D) or (F) or an investment adviser under Section 403(b)(1)(C); or

(3) issue an order under Section 204.

(b) **[Summary process.]** An order under subsection (a) is effective on the date of issuance. Upon issuance of the order, the administrator secretary of state shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement whether the administrator secretary of state will seek a civil penalty or costs of the investigation, a statement of the reasons for the order, and notice that, within 15 days after receipt of a request in a record from the person, the matter will be scheduled for a hearing. If

New language - may be initiated by the secretary of state without prior judicial process or a prior hearing.

Ex parte cease and desist authority

a person subject to the order does not request a hearing and none is ordered by the administrator secretary of state within 30 days after the date of service of the order, the order, which may include a civil penalty or costs of the investigation if a civil penalty or costs were sought in the statement accompanying the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the administrator secretary of state, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

(c) [Procedure for final order.] If a hearing is requested or ordered pursuant to subsection (b), a hearing must be held [pursuant to the state administrative procedure act] Wyoming Administrative Procedure Act. A final order may not be issued unless the administrator secretary of state makes findings of fact and conclusions of law in a record [in accordance with the state administrative procedure act] Wyoming Administrative Procedure Act. The final order may make final, vacate, or modify the order issued under subsection (a).

(d) [Civil penalty.] In a final order under subsection (c), the administrator secretary of state may impose a civil penalty up to \$[ ] five thousand dollars (\$5,000.00) for a single violation or up to \$[ ] fifty thousand dollars (\$50,000.00) for more than one violation.

(e) [Costs.] In a final order, the administrator secretary of state may charge the actual cost of an investigation or proceeding for a violation of this [Act] act or a rule adopted or order issued under this [Act] act.

(f) [Filing of certified final order with court; effect of filing.] If a petition for judicial review of a final order

17-4-124 (f)

(iii) The secretary of state may charge, in addition to any administrative assessment, penalty, remedy or sanction imposed under this section, the actual cost of any examination or investigation made by the secretary of state pursuant to this section to the party or parties subject of the investigation or examination.

Increase Civil Penalty

is not filed in accordance with Section 609, the administrator secretary of state may file a certified copy of the final order with the clerk of a court of competent jurisdiction. The order so filed has the same effect as a judgment of the court and may be recorded, enforced, or satisfied in the same manner as a judgment of the court.

(g) [Enforcement by court; further civil penalty.] If a person does not comply with an order under this section, the administrator secretary of state may petition a court of competent jurisdiction to enforce the order. The court may not require the administrator secretary of state to post a bond in an action or proceeding under this section. If the court finds, after service and opportunity for hearing, that the person was not in compliance with the order, the court may adjudge the person in civil contempt of the order. The court may impose a further civil penalty against the person for contempt in an amount not less than \$[ ] five thousand dollars (\$5,000.00) but not greater than \$[ ] fifty thousand dollars (\$50,000.00) for each violation and may grant any other relief the court determines is just and proper in the circumstances.

**SECTION 605. RULES, FORMS, ORDERS, INTERPRETATIVE OPINIONS, AND HEARINGS.**

(a) [Issuance and adoption of forms, orders, and rules.] The administrator secretary of state may:

(1) issue forms and orders and, after notice and comment, may adopt and amend rules necessary or appropriate to carry out this Act and may repeal rules, including rules and forms governing registration statements, applications, notice filings, reports, and other records;

(2) by rule, define terms, whether or

**17-4-124. Rules, forms and orders.**

(a) The secretary of state may from time to time make,

amend, and rescind such rules, forms and orders as are necessary to carry out the provisions of this act, including rules and forms governing registration statements, applications, and reports, and

Increase Civil Penalty

not used in this [Act] act, but those definitions may not be inconsistent with this [Act] act; and

(3) by rule, classify securities, persons, and transactions and adopt different requirements for different classes.

(b) **[Findings and cooperation.]** Under this [Act] act, a rule or form may not be adopted or amended, or an order issued or amended, unless the administrator secretary of state finds that the rule, form, order, or amendment is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes intended by this [Act] act. In adopting, amending, and repealing rules and forms, Section 608 applies in order to achieve uniformity among the states and coordination with federal laws in the form and content of registration statements, applications, reports, and other records, including the adoption of uniform rules, forms, and procedures.

(c) **[Financial statements.]** Subject to Section 15(h) of the Securities Exchange Act and Section 222 of the Investment Advisers Act of 1940, the administrator secretary of state may require that a financial statement filed under this [Act] act be prepared in accordance with generally accepted accounting principles in the United States and comply with other requirements specified by rule adopted or order issued under this [Act] act. A rule adopted or order issued under this [Act] act may establish:

(1) subject to Section 15(h) of the Securities Exchange Act and Section 222 of the Investment Advisers Act of 1940, the form and content of financial statements required under this [Act] act;

defining any terms, whether or not used in this act, insofar as the definitions are not inconsistent with the provisions of this act.

For the purpose of rules and forms, the secretary of state may classify securities, persons, and matters within his jurisdiction, and prescribe different requirements for different classes.

(b) No rule, form, or order may be made, amended, or rescinded unless the secretary of state finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of this act. In prescribing rules and forms the secretary of state may cooperate with the securities administrators of the other states and the securities and exchange commission with a view to effectuating the policy of this act to achieve maximum uniformity in the form and content of registration statements, applications, and reports wherever practicable.

(c) The secretary of state may by rule or order prescribe the form and content of financial statements required under this act\*. All financial statements shall be prepared in accordance with generally accepted accounting practices.

(2) whether unconsolidated financial statements must be filed; and

(3) whether required financial statements must be audited by an independent certified public accountant.

(d) **[Interpretative opinions.]** The administrator secretary of state may provide interpretative opinions or issue determinations that the administrator secretary of state will not institute a proceeding or an action under this [Act] act against a specified person for engaging in a specified act, practice, or course of business if the determination is consistent with this [Act] act. A rule adopted or order issued under this [Act] act may establish a reasonable charge for interpretative opinions or determinations that the administrator secretary of state will not institute an action or a proceeding under this [Act] act.

(e) **[Effect of compliance.]** A penalty under this [Act] act may not be imposed for, and liability does not arise from conduct that is engaged in or omitted in good faith believing it conforms to a rule, form, or order of the administrator secretary of state under this [Act] act.

(f) **[Presumption for public hearings.]** A hearing in an administrative proceeding under this [Act] act must be conducted in public unless the administrator secretary of state for good cause consistent with this [Act] act determines that the hearing will not be so conducted.

(c) continued  
\*, the circumstances under which consolidated financial statements shall be filed and

whether any required financial statements shall be certified by independent or certified public accountants.

(d) All rules and forms of the secretary of state shall be published.

17-4-125

(f) The secretary of state in his discretion may honor requests from interested persons for interpretative opinions.

17-4-124

(e) No provision of this act imposing any liability applies to any act done or omitted in good faith in conformity with any rule, form, or order of the secretary of state, notwithstanding that the rule, form, or order may later be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

17-4-124

(g) Every hearing in an administrative proceeding shall be public unless the secretary of state in his discretion grants a request joined in by all the respondents that the hearing be conducted privately.

(f) For any violation of this chapter, the secretary of state may by order entered in accordance with this subsection impose

a civil penalty, assess costs, require restitution to investors or impose other conditions upon a registered person or any registrant which the secretary of state determines to be in the public interest. In addition to any other civil or criminal penalty provided in this chapter any person, whether registered or not, who willfully violates any provision of this chapter, may be assessed civil penalties, be required to pay restitution and costs or to rescind the transaction or transactions and pay costs, if the secretary of state finds it in the public interest. An order under this subsection shall be entered in accordance with the following:

(i) For the purpose of determining the amount of any civil penalty to be imposed for a violation of any provision of the Wyoming Securities Act, the secretary of state shall consider:

(A) The circumstances, nature, frequency, seriousness, magnitude, persistence and willfulness of the conduct constituting the violation;

(B) The scope of the violation, including the number of persons affected by the conduct constituting the violations;

(C) The level of restitution or compensation that the violator has made;

(D) Past and concurrent conduct of the violator that has given rise to any sanction or judgment imposed by, or plea or settlement with, the secretary of state or any state securities administrator, any court of competent jurisdiction, the Securities and Exchange Commission, any other federal or state agency or any self-regulatory organization; and

(E) Any other factor that the secretary of state finds appropriate in the public interest or for the protection of investors and within the purposes fairly intended by the policy

**SECTION 606. ADMINISTRATIVE FILES AND OPINIONS.**

(a) **[Public register of filings.]** The administrator secretary of state shall maintain, or designate a person to maintain, a register of applications for registration of securities; registration statements; notice filings; applications for registration of broker-dealers, agents, investment advisers, and investment adviser representatives; notice filings by federal covered investment advisers that are or have been effective under this ~~Act~~ act or the predecessor act; notices of claims of exemption from registration or notice filing requirements contained in a record; orders issued under this ~~Act~~ act or the predecessor act; and interpretative opinions or no action determinations issued under this ~~Act~~ act.

(b) **[Public availability.]** The administrator secretary of state shall make all rules, forms, interpretative opinions, and orders available to the public.

(c) **[Copies of public records.]** The administrator secretary of state shall furnish a copy of a record that is a public record or a certification that the public record does not exist to a person that so requests. A rule adopted under this ~~Act~~ act may establish a reasonable charge for furnishing the record or certification. A copy of the record certified or a certificate by the administrator secretary of state of a record's nonexistence is prima facie evidence of a record or its nonexistence.

and provisions of the Wyoming Securities Act.

**17-4-125. When document deemed filed; register of applications, statements and orders; inspection of information; copies of records; interpretative opinions.**

(a) A document is filed when it is received by the secretary of state.

(c) The secretary of state shall keep a register of all applications for registration and registration statements

which are or have ever been effective under this act and all denial, suspension, or revocation orders which have ever been entered under this act. The register shall be open for public inspection.

(d) The information contained in or filed with any registration statement, application, or report may be made available to the public under such rules as the secretary of state prescribes.

17-4-125(e)

\*the secretary of state shall furnish to any person photostatic or other copies (certified under his seal of office if requested) of any entry in the register or any document which is a matter of public record.

Upon request and at such reasonable charges as he prescribes, \* In any proceeding or prosecution under this act, any copy so certified is prima facie evidence of the contents of the entry or document certified.

**SECTION 607. PUBLIC RECORDS;  
CONFIDENTIALITY.**

(a) **[Presumption of public records.]** Except as otherwise provided in subsection (b), records obtained by the ~~administrator~~ *secretary of state* or filed under this ~~[Act]~~ *act*, including a record contained in or filed with a registration statement, application, notice filing, or report, are public records and are available for public examination.

(b) **[Nonpublic records.]** The following records are not public records and are not available for public examination under subsection (a):

(1) a record obtained by the ~~administrator~~ *secretary of state* in connection with an audit or inspection under Section 411(d) or an investigation under Section 602;

(2) a part of a record filed in connection with a registration statement under Sections 301 and 303 through 305 or a record under Section 411(d) that contains trade secrets or confidential information if the person filing the registration statement or report has asserted a claim of confidentiality or privilege that is authorized by law;

(3) a record that is not required to be provided to the ~~administrator~~ *secretary of state* or filed under this ~~[Act]~~ *act* and is provided to the ~~administrator~~ *secretary of state* only on the condition that the record will not be subject to public examination or disclosure;

(4) a nonpublic record received from a person specified in Section 608(a); [and]

Reflects the extensive development of freedom of information and open records laws

Addressed in WY Securities Rules Chapter 3

(5) any social security number, residential address unless used as a business address, and residential telephone number unless used as a business telephone number, contained in a record that is filed[; and

(6) a record obtained by the administrator secretary of state through a designee of the administrator secretary of state that a rule or order under this [Act] act determines has been:

(A) expunged from the administrator secretary of state's records by the designee; or

(B) determined to be nonpublic or nondisclosable by that designee if the administrator secretary of state finds the determination to be in the public interest and for the protection of investors].

(c) [Administrator discretion to disclose.] If disclosure is for the purpose of a civil, administrative, or criminal investigation, action, or proceeding or to a person specified in Section 608(a), the administrator secretary of state may disclose a record obtained in connection with an audit or inspection under Section 411(d) or a record obtained in connection with an investigation under Section 602.

#### SECTION 608. UNIFORMITY AND COOPERATION WITH OTHER AGENCIES.

(a) [Objective of uniformity.] The administrator secretary of state shall, in its discretion, cooperate, coordinate, consult, and, subject to Section 607, share records and information with the securities regulator of another state, Canada, a Canadian province or territory, a foreign jurisdiction, the Securities and Exchange Commission, the United States Department of Justice, the Commodity

17-4-125

(b) The secretary of state may cooperate with the securities administrators of one (1) or more states, Canadian provinces or territories, or other country, the securities and exchange commission,

the commodity futures trading commission, the securities investor protection corporation, any self-regulatory organization

Futures Trading Commission, the Federal Trade Commission, the Securities Investor Protection Corporation, a self-regulatory organization, a national or international organization of securities regulators, a federal or state banking and insurance regulator, and a governmental law enforcement agency to effectuate greater uniformity in securities matters among the federal government, self-regulatory organizations, states, and foreign governments.

(b) [Policies to consider.] In cooperating, coordinating, consulting, and sharing records and information under this section and in acting by rule, order, or waiver under this ~~Act~~ act, the administrator or secretary of state shall, in its discretion, take into consideration in carrying out the public interest the following general policies:

(1) maximizing effectiveness of regulation for the protection of investors;

(2) maximizing uniformity in federal and state regulatory standards; and

(3) minimizing burdens on the business of capital formation, without adversely affecting essentials of investor protection.

(c) [Subjects for cooperation.] The cooperation, coordination, consultation, and sharing of records and information authorized by this section includes:

(1) establishing or employing one or more designees as a central depository for registration and notice filings under this ~~Act~~ act and for records required or allowed to be maintained under this ~~Act~~ act;

or any law enforcement or regulatory organization to

**17-4-127. Uniform construction of provisions.**

This act shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it and to coordinate the interpretation and administration of this act with the related federal regulation.

17-4-125 (b) continued

establish a central depository for registration under this act and of documents or records required or allowed to be maintained under this act.

<p>uniform forms;</p> <p>investigation;</p> <p>hearing;</p> <p>civil or administrative proceeding;</p> <p>sharing and exchanging personnel;</p> <p>Sections 301 and 401 through 404 and exemptions under Section 203;</p> <p>subject to Section 607;</p> <p>policy, guidelines, forms, and interpretative opinions and releases;</p> <p>and procedures;</p> <p>rules, forms, statements of policy, and guidelines;</p> <p>meetings among securities regulators, which may include representatives of governmental and private sector organizations involved in capital formation, deemed necessary or appropriate to promote or achieve uniformity; and</p>		
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(13) developing and maintaining a uniform exemption from registration for small issuers, and taking other steps to reduce the burden of raising investment capital by small businesses.

**SECTION 609. JUDICIAL REVIEW.**

(a) **[Judicial review of orders.]** A final order issued by the administrator secretary of state under this [Act] act is subject to judicial review in accordance with [the state administrative procedure act] Wyoming Administrative Procedure Act.

(b) **[Judicial review of rules.]** A rule adopted under this [Act] act is subject to judicial review in accordance with [the state administrative procedure act] Wyoming Administrative Procedure Act.

**17-4-123. Judicial review of orders of secretary of state.**

(a) Any person aggrieved by a final order of the secretary of state may obtain a review of the order in the Wyoming district court by filing in court, within sixty (60) days after the entry of the order, a written petition praying that the order be modified or set aside in whole or in part. A copy of the petition shall be forthwith served upon the secretary of state, and thereupon the secretary of state shall certify and file in court a copy of the filing and evidence upon which the order was entered. When these have been filed, the court has exclusive jurisdiction to affirm, modify, enforce, or set aside the order, in whole or in part. The findings of the secretary of state as to the facts, if supported by competent, material and substantial evidence, are conclusive. If either party applies to the court for leave to adduce additional material evidence, and shows to the satisfaction of the court that there were reasonable grounds for failure to adduce the evidence in the hearing before the secretary of state, the court may order the additional evidence to be taken before the secretary of state and to be adduced upon the hearing in such manner and upon such conditions as the court considers proper. The secretary of state may modify his findings and order by reason of the additional evidence and shall file in court the additional evidence together with any modified or new findings or order. The judgment of the court is final, subject to review by the Wyoming supreme court.

(b) The commencement of proceedings under subsection (a) of this section does not, unless specifically ordered by the court, operate as a stay of the secretary of state's order.

Wyoming does not permit judicial review of rules

**SECTION 610. JURISDICTION.**

(a) [Sales and offers to sell.] Sections 301, 302, 401(a), 402(a), 403(a), 404(a), 501, 506, 509, and 510 do not apply to a person that sells or offers to sell a security unless the offer to sell or the sale is made in this state or the offer to purchase or the purchase is made and accepted in this state.

(b) [Purchases and offers to purchase.] Sections 401(a), 402(a), 403(a), 404(a), 501, 506, 509, and 510 do not apply to a person that purchases or offers to purchase a security unless the offer to purchase or the purchase is made in this state or the offer to sell or the sale is made and accepted in this state.

(c) [Offers in this State.] For the purpose of this section, an offer to sell or to purchase a security is made in this state, whether or not either party is then present in this state, if the offer:

(1) originates from within this state; or

(2) is directed by the offeror to a place in this state and received at the place to which it is directed.

17-4-128

(e) Judicial review of all administrative orders as to which review proceedings have not been instituted by the effective date of this act are governed by W.S. 17-4-123, except that no review proceeding may be instituted unless the petition is filed within any period of limitation which applied to a review proceeding when the order was entered and in any event within sixty (60) days after the effective date of this act.

**17-4-126. Applicability of provisions; place of offer or acceptance; service of process.**

(a) W.S. 17-4-101, 17-4-103(a), 17-4-107, 17-4-132, 17-4-117 and 17-4-122 apply to persons who sell or offer to sell when:

(i) An offer to sell is made in this state; or

(ii) An offer to buy is made and accepted in this state.

(b) W.S. 17-4-101, 17-4-103(a) and 17-4-117 apply to persons who buy or offer to buy when:

(i) An offer to buy is made in this state; or

(ii) An offer to sell is made and accepted in this state.

(c) For the purpose of this section, an offer to sell or to buy is made in this state, whether or not either party is then present in this state, when the offer:

(i) Originates from this state; or

(ii) Is directed by the offeror to this state and received at the place to which it is directed (or at any post office in this state in the case of a mailed offer).

(d) **[Acceptances in this State.]** For the purpose of this section, an offer to purchase or to sell is accepted in this state, whether or not either party is then present in this state, if the acceptance:

(1) is communicated to the offeror in this state and the offeree reasonably believes the offeror to be present in this state and the acceptance is received at the place in this state to which it is directed; and

(2) has not previously been communicated to the offeror, orally or in a record, outside this state.

(e) **[Publications, radio, television, or electronic communications.]** An offer to sell or to purchase is not made in this state when a publisher circulates or there is circulated on the publisher's behalf in this state a bona fide newspaper or other publication of general, regular, and paid circulation that is not published in this state, or that is published in this state but has had more than two thirds of its circulation outside this state during the previous twelve (12) months or when a radio or television program or other electronic communication originating outside this state is received in this state. A radio or television program, or other electronic communication is considered as having originated in this state if either the broadcast studio or the originating source of transmission is located in this state, unless:

(1) the program or communication is syndicated and distributed from outside this state for redistribution to the general public in this state;

(d) For the purpose of this section, an offer to buy or to sell is accepted in this state when acceptance

is communicated to the offeror in this state and\*  
; and acceptance is communicated to the offeror in this state, whether or not either party is then present in this state, when the offeree directs it to the offeror in this state reasonably believing the offeror to be in this state and it is received at the place to which it is directed (or at any post office in this state in the case of a mailed acceptance).

\*has not previously been communicated to the offeror, orally or in writing, outside this state

(e) An offer to sell or to buy is not made in this state when:

(i) The publisher circulates or there is circulated on his behalf in this state any bona fide newspaper or other publication of general, regular, and paid circulation which is not published in this state, or which is published in this state but has had more than two-thirds of its circulation outside this state during the past twelve (12) months; or

(ii) A radio or television program originating outside this state is received in this state.

(2) the program or communication is supplied by a radio, television, or other electronic network with the electronic signal originating from outside this state for redistribution to the general public in this state;

(3) the program or communication is an electronic communication that originates outside this state and is captured for redistribution to the general public in this state by a community antenna or cable, radio, cable television, or other electronic system; or

(4) the program or communication consists of an electronic communication that originates in this state, but which is not intended for distribution to the general public in this state.

(f) **[Investment advice and misrepresentations.]** Sections 403(a), 404(a), 405(a), 502, 505, and 506 apply to a person if the person engages in an act, practice, or course of business instrumental in effecting prohibited or actionable conduct in this state, whether or not either party is then present in this state.

#### SECTION 611. SERVICE OF PROCESS.

(a) **[Signed consent to service of process.]** A consent to service of process complying with Section 611 required by this ~~[Act]~~act must be signed and filed in the form required by a rule or order under this ~~[Act]~~act. A consent appointing the ~~administrator~~ *secretary of state* the person's agent for service of process in a noncriminal action or proceeding against the person, or the person's successor or personal representative under this ~~[Act]~~act or a rule adopted or order issued under this ~~[Act]~~act after the consent is filed, has the same force and validity as if the service were made

(f) W.S. 17-4-102 applies when any act instrumental in effecting prohibited conduct is done in this state, whether or not either party is then present in this state.

#### **17-4-126. Applicability of provisions; place of offer or acceptance; service of process.**

(g) Every applicant for registration under this act and every issuer which proposes to offer a security in this state through any person acting on an agency basis in the common-law sense shall file with the secretary of state, in such form as he by rule prescribes, an irrevocable consent appointing the secretary of state or his successor in office to be his attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against him or his successor executor or administrator which arises under this act or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the

personally on the person filing the consent. A person **that** has filed a consent **complying with this subsection** in connection with a previous application for registration or notice filing need not file **an additional consent**.

**(b) [Conduct constituting appointment of agent for service.]** If a person, including a nonresident of this state, engages in **an act, practice, or course of business** prohibited or made actionable by this ~~[Act]~~ **act** or a rule **adopted** or order **issued under this [Act] act** and the person has not filed a consent to service of process under subsection (a), the act, practice, or course of business constitutes the appointment of the ~~administrator~~ **secretary of state** as the **person's agent for service of process** in a noncriminal action or proceeding against **the person** or **the person's successor** or **personal representative**.

**(c) [Procedure for service of process.]** Service **under subsection (a) or (b)** may be made by **providing** a copy of the process **to the office of the administrator** ~~secretary of state~~, **but** it is not effective unless:

(1) the plaintiff, **which** may be the ~~administrator~~ **secretary of state**, **promptly** sends notice of the

consent. A person **who** has filed **such** a consent in connection with a previous registration or notice filing need not file **another**. Service may be made by leaving a copy of the process in the office of the secretary of state, but it is not effective unless:

(i) The plaintiff, who may be the secretary of state in a suit, action, or proceeding instituted by him, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at his last address on file with the secretary of state; and

(ii) The plaintiff's affidavit of compliance with this subsection if filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

**(h) When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by this act or any rule or order hereunder, and he has not filed a consent to service of process under subsection (g) of this section and personal jurisdiction over him cannot otherwise be obtained in this state, that conduct shall be considered equivalent to his appointment of the secretary of state or his successor in office to be his attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against him or his successor executor or administrator which grows out of that conduct and which is brought under this act or any rule or order hereunder, with the same force and validity as if served on him personally.** Service may be made by **leaving** a copy of the process in the office of the secretary of state, **and** it is not effective unless:

(i) The plaintiff, **who** may be the secretary of state in a suit, action, or proceeding instituted by him, forthwith sends notice of the service and a copy of the process by

service and a copy of the process, return receipt requested, to the defendant or respondent at the address set forth in the consent to service of process or, if a consent to service of process has not been filed, at the last known address, or takes other reasonable steps to give notice; and

(2) the plaintiff files an affidavit of compliance with this subsection in the action or proceeding on or before the return day of the process, if any, or within the time that the court, or the administrator secretary of state in a proceeding before the administrator secretary of state, allows.

(d) [Service in administrative proceedings or civil actions by administrator.] Service pursuant to subsection (c) may be used in a proceeding before the administrator secretary of state or by the administrator secretary of state in a civil action in which the administrator secretary of state is the moving party.

(e) [Opportunity to defend.] If process is served under subsection (c), the court, or the administrator secretary of state in a proceeding before the administrator secretary of state, shall order continuances as are necessary or appropriate to afford the defendant or respondent reasonable opportunity to defend.

#### SECTION 612. SEVERABILITY CLAUSE.

If any provision of this [Act] act or its application to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of this [Act] act that can be given effect without the invalid provision or application, and to this end the provisions of this [Act] act are severable

registered mail to the defendant or respondent at his last known address or takes other steps which are reasonably calculated to give actual notice; and

(ii) The plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

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(j) When process is served under this section, the court, or the secretary of state in a proceeding before him, shall order such continuance as may be necessary to afford the defendant or respondent reasonable opportunity to defend.

Previously addressed regarding rules by WY Securities Rules Chapter 8

# Article 7

New Securities Act	Current Wyoming Securities Act	Analysis
<p style="text-align: center;"><b>ARTICLE 7</b> <b>TRANSITION</b></p> <p><b>SECTION 701. EFFECTIVE DATE.</b> This <del>{Act} act</del> takes effect on <del>{insert date, which should be at least 60 days after enactment}</del> July 1, 2017.</p> <p><b>SECTION 702. REPEALS.</b> The following act is repealed: <del>{Insert name of former State securities act}</del>. <i>Wyoming Uniform Securities Act, W.S. 17-4-101 – W.S. 17-4-132</i></p> <p><b>SECTION 703. APPLICATION OF ACT TO EXISTING PROCEEDING AND EXISTING RIGHTS AND DUTIES.</b></p> <p>(a) <b>[Applicability of predecessor act to pending proceedings and existing rights.]</b> The predecessor act exclusively governs all actions or proceedings that are pending on the effective date of this <del>{Act} act</del> or may be instituted on the basis of conduct occurring before the effective date of this <del>{Act} act</del>, but a civil action may not be maintained to enforce any liability under the predecessor act unless instituted within any period of limitation that applied when the cause of action accrued or within five (5) years after the effective date of this <del>{Act} act</del>, whichever is earlier.</p> <p>(b) <b>[Continued effectiveness under predecessor act.]</b> All effective registrations under the predecessor act, all administrative orders relating to the registrations, rules, statements of policy, interpretative opinions, declaratory rulings, no action determinations, and conditions imposed on the registrations under the predecessor act remain in</p>	<p><b>17-4-128. Repeal of former provisions; applicability of prior law.</b></p> <p>(a) Sections 17-102 through 17-117, Wyoming Statutes 1957, are repealed except as saved in this section.</p> <p>(b) Prior law exclusively governs all suits, actions, prosecutions, or proceedings which are pending or may be initiated on the basis of facts or circumstances occurring before the effective date of this act except that no civil suit or action may be maintained to enforce any liability under prior law unless brought within any period of limitation which applied when the cause of action accrued and in any event within two (2) years after the effective date of this act.</p> <p>(c) All effective registrations under prior law, all administrative orders relating to such registrations, and all conditions imposed upon such registrations remain in effect so long as they would have remained in effect</p>	<p>Effective Date of 07/01/2017 allowing for implementation of new requirements of the act</p> <p>Change to 5 years to allow for period of transition.</p>

effect while they would have remained in effect if this ~~Act~~ act had not been enacted. They are considered to have been filed, issued, or imposed under this ~~Act~~ act, but are exclusively governed by the predecessor act.

(c) [Applicability of predecessor act to offers or sales.] The predecessor act exclusively applies to an offer or sale made within one (1) year after the effective date of this ~~Act~~ act pursuant to an offering made in good faith before the effective date of this ~~Act~~ act on the basis of an exemption available under the predecessor act.

if this act had not been passed. They are considered to have been filed, entered, or imposed under this act, but are governed by prior law.

(d) Prior law applies in respect of any offer or sale made within one (1) year after the effective date of this act pursuant to an offering begun in good faith before its effective date on the basis of an exemption available under prior law.

#### 17-4-108. Registration of securities; registration by notification.

(a) The following securities may be registered by notification, whether or not they are also eligible for registration by coordination under W.S. 17-4-109:

(i) Any security whose issuer and any predecessors have been in continuous operation for at least five (5) years if (A) there has been no default during the current fiscal year or within the three (3) preceding fiscal years in the payment of principal, interest, or dividends on any security of the issuer (or any predecessor) with a fixed maturity or a fixed interest or dividend provision, and (B) the issuer and any predecessors during the past three (3) fiscal years have had average net earnings, determined in accordance with generally accepted accounting practices, (I) which are applicable to all securities without a fixed maturity or a fixed interest or dividend provision outstanding at the date the registration statement is filed and equal at least five percent (5%) of the amount of such outstanding securities (as measured by the maximum offering price or the market price on a day, selected by the

This language does NOT appear in the 2002 Uniform Securities Act.  
Registration by notification is no longer relevant.

registrant, within thirty (30) days before the date of filing the registration statement, whichever is higher, or book value on a day, selected by the registrant, within ninety (90) days of the date of filing the registration statement to the extent that there is neither a readily determinable market price nor a cash offering price), or (II) which, if the issuer and any predecessors have not had any security of the type specified in clause (I) outstanding for three (3) full fiscal years, equal to at least five percent (5%) of the amount (as measured in clause (I)) of all securities which will be outstanding if all the securities being offered or proposed to be offered (whether or not they are proposed to be registered or offered in this state) are issued;

(ii) Any security registered for nonissuer distribution if (A) any security of the same class has ever been registered under this act or a predecessor act, or (B) the security being registered was originally issued pursuant to an exemption under this act or a predecessor act.

(b) A registration statement under this section shall contain the following information and be accompanied by the following documents in addition to the information specified in W.S. 17-4-111(c) and the consent to service of process required by W.S. 17-4-126(g):

(i) A statement demonstrating eligibility for registration by notification;

(ii) With respect to the issuer and any significant subsidiary: its name, address, and form of organization; the state (or foreign jurisdiction) and the date of its organization; and the general character and location of its business;

(iii) With respect to any person on whose behalf any part of the offering is to be made in a nonissuer distribution:

	<p>his name and address; the amount of securities of the issuer held by him as of the date of the filing of the registration statement; and a statement of his reasons for making the offering;</p> <p>(iv) A description of the security being registered;</p> <p>(v) The information and documents specified in W.S. 17-4-110(b)(viii), (x) and (xii); and</p> <p>(vi) In the case of any registration under W.S. 17-4-108(a)(ii) which does not also satisfy the conditions of W.S. 17-4-108(a)(i) a balance sheet of the issuer as of a date within four (4) months prior to the filing of the registration statement, and a summary of earnings for each of the two (2) fiscal years preceding the date of the balance sheet and for any period between the close of the last fiscal year and the date of the balance sheet, or for the period of the issuer's and any predecessors' existence if less than two (2) years.</p> <p>(c) If no stop order is in effect and no proceeding is pending under W.S. 17-4-112, a registration statement under this section automatically becomes effective at one o'clock standard time in the afternoon of the second full business day after the filing of the registration statement or the last amendment, or at such earlier time as the secretary of state determines.</p> <p>17-4-130. Clearing corporations; registration required.</p> <p>(a) It is unlawful for any clearing corporation, as defined in W.S. 34.1-8-102(a)(v), other than a registered clearing agency which limits its business to those activities which are regulated by the United States Securities and Exchange Commission, to transact business in this state as a</p>	<p>This language does NOT appear in the 2002 Uniform Securities Act.</p>
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	<p>clearing corporation, including the clearance and settlement of securities, commercial paper and bank certificates of deposit unless it is a registered clearing corporation.</p> <p>(b) The secretary of state may adopt reasonable rules and regulations necessary to implement this section.</p> <p>(c) The director of the state department of audit or his designee shall inspect and examine each registered clearing corporation during each calendar year following W.S. 13-3-702(a) to the extent applicable. The examination shall be conducted pursuant to rules and regulations and orders as the director deems appropriate.</p>	
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