

SENATE BILL NO. 365—SENATORS KIHUEN, FORD, WOODHOUSE,
MANENDO, PARKS; ATKINSON, DENIS AND SPEARMAN

MARCH 16, 2015

Referred to Committee on Judiciary

SUMMARY—Exempts certain offers or sales of securities from registration requirements for securities. (BDR 7-878)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to securities; providing for an exemption from the requirement to register for certain offerings for the sale of securities made through certain Internet websites; establishing certain requirements relating to an issuer of a security who qualifies for such an exemption; providing for the registration of certain operators of Internet websites who post offerings for the sale of securities not required to be registered; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law sets forth requirements for the registration of a security with the
2 Securities Division of the Office of the Secretary of State before an offer to sell or a
3 sale of such a security is made unless certain exceptions apply. (NRS 90.460-
4 90.510) Existing law further provides for an exemption of certain securities from
5 the registration requirement and sets forth the filing requirements necessary to
6 qualify for the exemption. (NRS 90.520-90.565)

7 **Section 3** of this bill provides an additional exemption from the registration
8 requirement for securities for an offer to sell or sale of a security offered by an
9 issuer through an Internet website, commonly known as a “crowdfunding” website,
10 if certain filing and disclosure requirements are met. **Section 3** requires that to
11 qualify for this exemption, the issuer of the security and the Internet website
12 conducting the offer of the security must be business entities organized and existing
13 in Nevada. **Section 3** also requires that any purchaser of such a security be a
14 resident of, or a business entity organized and existing in, Nevada. The amount of
15 the offer made pursuant to the exemption provided for in **section 3** is limited to, in
16 any consecutive 12-month period: (1) \$1,000,000, if the issuer has not been audited
17 for its most recently completed fiscal year; or (2) \$2,000,000, if the issuer has been



18 audited for its most recently completed fiscal year. The exemption also limits an
19 investor's purchase to \$5,000, unless the purchaser is an accredited investor.
20 **Section 3** further requires a depository institution to hold all investor funds in an
21 escrow account until the issuer's crowdfunding goal is met. **Section 3** also requires
22 the Administrator of the Division to adopt regulations to carry out the
23 implementation of the new registration exemption.

24 **Section 4** of this bill requires such an Internet website to register with the
25 Division before conducting any offer or sale of a security for an issuer pursuant to
26 the exemption provided for in **section 3**. **Section 4** also provides for certain
27 registration exemptions for a crowdfunding Internet website if certain registration
28 requirements are met with the Securities and Exchange Commission.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 90 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2, 3 and 4 of this act.

3 **Sec. 2.** *"Accredited investor" has the meaning ascribed to it*
4 *in 17 C.F.R § 230.501(a).*

5 **Sec. 3. 1.** *A transaction involving the offer to sell or sale of*
6 *a security by an issuer that is conducted exclusively through one*
7 *or more Internet websites is exempt from the provisions of NRS*
8 *90.460 and 90.560 if:*

9 *(a) The issuer of the security is a business entity organized and*
10 *existing under the laws of this State.*

11 *(b) The transaction satisfies the requirements for exemption*
12 *under the Securities Act of 1933, 15 U.S.C. § 77c(a)(11) and Rule*
13 *147 of the Securities and Exchange Commission, 17 C.F.R. §*
14 *230.147.*

15 *(c) Except as otherwise provided in paragraph (d), the total*
16 *aggregate sales of the security, during any 12 consecutive months,*
17 *does not exceed:*

18 *(1) \$1,000,000 if the issuer has not been subject to an audit*
19 *in accordance with generally accepted audit standards of its most*
20 *recently completed fiscal year and provided the audit documents to*
21 *each prospective investor and the Administrator; or*

22 *(2) \$2,000,000 if the issuer has been subject to an audit in*
23 *accordance with generally accepted audit standards of its most*
24 *recently completed fiscal year and provided the audit documents to*
25 *each prospective investor and the Administrator.*

26 *(d) The issuer does not accept an investment of more than*
27 *\$5,000 from any single purchaser, unless the purchaser is an*
28 *accredited investor.*

29 *(e) Unless otherwise waived by the Administrator, not less than*
30 *10 days before making an offer to sell a security pursuant to this*
31 *section, the issuer:*



1 (1) Files a Form D - Notice of Exempt Offering of
2 Securities with the Securities and Exchange Commission;

3 (2) Pays the fee for the exemption established by the
4 Administrator by regulation;

5 (3) Provides the Administrator a copy of the disclosure
6 document provided to the prospective investor pursuant to
7 paragraph (k); and

8 (4) Provides the Administrator with a copy of the escrow
9 agreement with a depository institution authorized to do business
10 in this State into which the issuer will deposit the money of the
11 investors.

12 (f) The issuer is not, either before or as a result of the offering
13 made pursuant to this section:

14 (1) An investment company, as defined in 15 U.S.C. §
15 80a-3;

16 (2) An entity described in 15 U.S.C. § 80a-3(c); or

17 (3) Subject to the reporting requirements of section 13 or
18 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78m
19 and 78o(d).

20 (g) The issuer informs all prospective investors in securities
21 offered pursuant to this section that the securities are not
22 registered under federal securities law or the securities law of this
23 State and are subject to resale limitations by including the
24 following statement at the beginning of the disclosure document:

25
26 *In making an investment decision, investors must rely on*
27 *their own examination of the issuer and the terms of the*
28 *offering, including the merits and risks involved. These*
29 *securities have not been recommended by the United States*
30 *Securities and Exchange Commission or the Securities*
31 *Division of the Office of the Secretary of State of Nevada.*
32 *Furthermore, the foregoing authorities have not confirmed*
33 *the accuracy or determined the adequacy of this document.*
34 *Any representation to the contrary is a criminal offense.*
35 *These securities are subject to restrictions on transferability*
36 *and resale and may not be transferred or resold except as*
37 *permitted by Rule 147 of the Securities and Exchange*
38 *Commission, 17 C.F.R § 230.147(4)(e), as promulgated*
39 *under the Securities Act of 1933, as amended, and the*
40 *applicable securities laws of this State, pursuant to*
41 *registration or exemption therefrom. Investors should be*
42 *aware that they will be required to bear the financial risks*
43 *of this investment for an indefinite period of time.*



1 (h) Each purchaser certifies in writing or electronically the
2 following:

3
4 I understand and acknowledge that I am investing in a
5 high risk, speculative business venture. I may lose all of my
6 investment or, under some circumstances, more than my
7 investment, and I can afford this loss. This offering has not
8 been reviewed or approved by the United States Securities
9 and Exchange Commission or the Securities Division of the
10 Office of the Secretary of State of Nevada, and no such
11 authority has confirmed the accuracy or determined the
12 adequacy of any disclosure made to me relating to this
13 offering. The securities I am acquiring in this offering are
14 not liquid, there is no ready market for the sale of such
15 securities, it may be difficult or impossible for me to sell or
16 otherwise dispose of this investment and I may be required
17 to hold this investment indefinitely. I may be subject to tax
18 on my share of the taxable income and losses of the
19 company, whether or not I have sold or otherwise disposed
20 of my investment or received any dividends or other
21 distributions from the company.
22

23 (i) The issuer obtains evidence that each purchaser is a
24 resident of this State and, if applicable, is an accredited investor.

25 (j) The depository institution named in the escrow agreement
26 described in subparagraph (4) of paragraph (e) holds all payments
27 for the purchase of securities offered pursuant to this section.

28 (k) The issuer of a security offered under the exemption
29 provided pursuant to this section provides a disclosure document
30 to each prospective investor at the time the offer to sell the security
31 is made that contains:

32 (1) A description of the issuer, its organizational structure
33 and the address and telephone number of its principal office;

34 (2) The history and business plan of the issues and a listing
35 of any amounts to be paid, as compensation or otherwise, to any
36 owner, executive officer, director, managing member or other
37 person holding a similar status or performing similar functions on
38 behalf of the issuer;

39 (3) The name of each person who owns more than 20
40 percent of the ownership interests of any class of securities of the
41 issuer;

42 (4) The name of each executive officer, director, managing
43 member or other person holding a similar status or performing
44 similar functions in the name of and on behalf of the issuer,
45 including the title and prior experience of the person;



1 (5) *The terms and conditions of the securities being offered*
2 *for sale and of any outstanding securities of the issuer, the*
3 *minimum and maximum amount of securities being offered, the*
4 *percentage of ownership of the issuer represented by the offered*
5 *securities, the price per share, unit or interest of the securities*
6 *being offered, any restrictions imposed on the transfer of*
7 *securities being offered and a disclosure of any anticipated future*
8 *issuance of securities that would affect the value of the securities*
9 *being offered;*

10 (6) *The name of any person who has been or will be*
11 *retained by the issuer to assist in conducting the offering and sale*
12 *of securities pursuant to this section, including, without limitation,*
13 *the operator of an Internet website, and a description of the*
14 *consideration being paid to the person for such assistance, if*
15 *applicable;*

16 (7) *A description of any litigation, legal proceedings or*
17 *pending regulatory action involving the issuer or its management;*

18 (8) *The name and Internet address of each Internet website*
19 *that will be used by the issuer to offer or sell securities pursuant to*
20 *this section; and*

21 (9) *Any additional information relating to the speculative*
22 *nature of the offering.*

23 (l) *The offering exempted pursuant to this section is made*
24 *exclusively through one or more Internet websites and the*
25 *operator of each such Internet website:*

26 (1) *Except as otherwise provided in subsection 7, registers*
27 *with the Division by filing a statement that includes the*
28 *information set forth in subsection 1 of section 4 of this act;*

29 (2) *Maintains records of all offers and sales of securities*
30 *made through the Internet website and provides such records to*
31 *the Division upon request;*

32 (3) *Limits access to the offer to sell or sale of securities*
33 *pursuant to this section to residents of this State; and*

34 (4) *Does not hold, manage, possess or handle money or*
35 *securities transacted through the Internet website or make an*
36 *investment based on an offer to sell securities made through the*
37 *Internet website.*

38 (m) *The issuer provides a quarterly report to its investors and*
39 *to the Division until the securities offered for sale by the issuer*
40 *pursuant to this section are no longer outstanding. The report*
41 *must include, without limitation:*

42 (1) *The total compensation received by each director and*
43 *executive officer of the issuer, including, without limitation, cash*
44 *compensation earned since the previous report and on an annual*
45 *basis, and any bonuses, stock options, other rights to receive*



1 securities of the issuer or any affiliate of the issuer and other
2 compensation received; and

3 (2) An analysis of the business operations and financial
4 condition of the issuer.

5 2. An offer to sell or sale of a security to an officer, director,
6 partner, trustee or person holding a similar position or performing
7 similar functions in the name of and on behalf of the issuer who
8 owns 10 percent or more of the outstanding shares of any class or
9 classes of securities of the issuer does not count toward the
10 monetary limitations set forth in paragraph (c) of subsection 1.

11 3. An issuer shall not access the money held in escrow by a
12 depository institution pursuant to paragraph (j) of subsection 1
13 until the aggregate money raised from an offering for the sale of
14 securities made pursuant to this section equals or exceeds the
15 minimum amount specified in the escrow agreement.

16 4. An investor may cancel its investment commitment made
17 based on an offering for the sale of securities made pursuant to
18 this section if:

19 (a) The target offering amount is not raised within the time
20 limit stated in the escrow agreement; or

21 (b) For any reason, such cancellation occurs more than 48
22 hours before the offering deadline identified in the disclosure
23 document provided by the issuer.

24 5. An exemption claimed pursuant to this section may not be
25 used in conjunction with any other exemption provided for in this
26 chapter, except for an offer to sell or a sale made to a person
27 identified in the disclosure document described in paragraph (k)
28 of subsection 1 during the 12 months immediately preceding the
29 exempted offer or sale.

30 6. The exemption provided for in this section cannot be used
31 if an issuer or person affiliated with the issuer or offering is
32 subject to disqualification as established by the Administrator by
33 regulation or pursuant to the Securities Act of 1933, 15 U.S.C. §
34 77c(a)(11), and Rule 147 of the Securities and Exchange
35 Commission, 17 C.F.R § 230.147(4)(e).

36 7. An operator of an Internet website is not required to
37 register as a broker-dealer if the operator:

38 (a) Satisfies the requirements of subsection 2 of section 4 of
39 this act; or

40 (b) Is registered as a broker-dealer under the Securities
41 Exchange Act of 1934, 15 U.S.C. § 78o.

42 8. Beginning on January 1, 2021, and every 5 years
43 thereafter, the Administrator shall adjust the monetary limitations
44 set forth in paragraph (c) of subsection 1 based proportionally on
45 changes to the Consumer Price Index for all Urban Consumers



1 *published by the United States Department of Labor. The*
2 *monetary limitation must be rounded to the nearest \$50,000.*

3 *9. The Administrator shall adopt regulations necessary to*
4 *carry out the provisions of this section.*

5 **Sec. 4. 1.** *If required to register with the Division pursuant*
6 *to paragraph (l) of subsection 1 of section 3 of this act, the*
7 *operator of an Internet website must register with the Division by*
8 *paying the filing fee established by the Administrator by*
9 *regulation and submitting to the Division a statement setting*
10 *forth:*

11 *(a) That the Internet website is operated by a business entity*
12 *organized and existing under the laws of this State;*

13 *(b) That the operator of the Internet website is acting on*
14 *behalf of an issuer to offer to sell and sell securities pursuant to*
15 *section 3 of this act;*

16 *(c) The address and contact information of the operator of the*
17 *Internet website; and*

18 *(d) Except as otherwise provided in subsection 2, confirmation*
19 *that the operator of the Internet website is licensed as a broker-*
20 *dealer pursuant to NRS 90.310.*

21 **2.** *The operator of an Internet website is not required to be*
22 *licensed as a broker-dealer pursuant to NRS 90.310 if:*

23 *(a) The operator does not:*

24 *(1) Offer investment advice or recommendations;*

25 *(2) Solicit purchases, sales or offers to buy the securities*
26 *offered or displayed on the Internet website;*

27 *(3) Compensate employees, agents or other persons for the*
28 *solicitation, or based on the sale of securities displayed or*
29 *referenced on the Internet website;*

30 *(4) Identify, promote or otherwise refer to any individual*
31 *security offered on the Internet website in any advertising for the*
32 *Internet website; and*

33 *(5) Engage in any other activities that the Administrator*
34 *determines by regulation are prohibited;*

35 *(b) The operator is not compensated based on the amount of*
36 *securities sold;*

37 *(c) The fee imposed by the operator of the Internet website for*
38 *an offering of securities on the Internet website is a fixed amount*
39 *for each offering, a variable amount based on the length of time*
40 *that the securities are offered or a combination of the fixed and*
41 *variable fees; and*

42 *(d) The operator of the Internet website, or director, executive*
43 *officer, general partner, managing member or other person with*
44 *management authority for the Internet website, has not been*
45 *subject to any matter which causes disqualification pursuant to*



1 *Rule 506(d)(1) of the Securities and Exchange Commission, 17*
2 *C.F.R. § 230.506(d)(1).*

3 *3. An operator of an Internet website shall report to the*
4 *Division any change relating to an exemption from a requirement*
5 *to register or to be licensed within 30 days after such a change*
6 *occurs.*

7 **Sec. 5.** NRS 90.211 is hereby amended to read as follows:

8 90.211 As used in this chapter, unless the context otherwise
9 requires, the words and terms defined in NRS 90.215 to 90.309,
10 inclusive, *and section 2 of this act* have the meanings ascribed to
11 them in those sections.

12 **Sec. 6.** NRS 90.530 is hereby amended to read as follows:

13 90.530 The following transactions are exempt from NRS
14 90.460 and 90.560:

15 1. An isolated nonissuer transaction, whether or not effected
16 through a broker-dealer.

17 2. A nonissuer transaction in an outstanding security if the
18 issuer of the security has a class of securities subject to registration
19 under section 12 of the Securities Exchange Act of 1934, 15 U.S.C.
20 § 78l, and has been subject to the reporting requirements of section
21 13 or 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. §§
22 78m and 78o(d), for not less than 90 days next preceding the
23 transaction, or has filed and maintained with the Administrator for
24 not less than 90 days preceding the transaction information, in such
25 form as the Administrator, by regulation, specifies, substantially
26 comparable to the information the issuer would be required to file
27 under section 12(b) or 12(g) of the Securities Exchange Act of 1934,
28 15 U.S.C. §§ 78l(b) and 78l(g), were the issuer to have a class of its
29 securities registered under section 12 of the Securities Exchange Act
30 of 1934, 15 U.S.C. § 78l, and paid a fee of \$300 with the filing.

31 3. A nonissuer transaction by a sales representative licensed in
32 this State, in an outstanding security if:

33 (a) The security is sold at a price reasonably related to the
34 current market price of the security at the time of the transaction;

35 (b) The security does not constitute all or part of an unsold
36 allotment to, or subscription or participation by, a broker-dealer as
37 an underwriter of the security;

38 (c) At the time of the transaction, a recognized securities manual
39 designated by the Administrator by regulation or order contains the
40 names of the issuer's officers and directors, a statement of the
41 financial condition of the issuer as of a date within the preceding 18
42 months, and a statement of income or operations for each of the last
43 2 years next preceding the date of the statement of financial
44 condition, or for the period as of the date of the statement of
45 financial condition if the period of existence is less than 2 years;



1 (d) The issuer of the security has not undergone a major
2 reorganization, merger or acquisition within the preceding 30 days
3 which is not reflected in the information contained in the manual;
4 and

5 (e) At the time of the transaction, the issuer of the security has a
6 class of equity security listed on the New York Stock Exchange,
7 American Stock Exchange or other exchange designated by the
8 Administrator, or on the National Market System of the National
9 Association of Securities Dealers Automated Quotation System. The
10 requirements of this paragraph do not apply if:

11 (1) The security has been outstanding for at least 180 days;

12 (2) The issuer of the security is actually engaged in business
13 and is not developing the issuer's business, in bankruptcy or in
14 receivership; and

15 (3) The issuer of the security has been in continuous
16 operation for at least 5 years.

17 4. A nonissuer transaction in a security that has a fixed
18 maturity or a fixed interest or dividend provision if there has been
19 no default during the current fiscal year or within the 3 preceding
20 years, or during the existence of the issuer, and any predecessors if
21 less than 3 years, in the payment of principal, interest or dividends
22 on the security.

23 5. A nonissuer transaction effected by or through a registered
24 broker-dealer pursuant to an unsolicited order or offer to purchase.

25 6. A transaction between the issuer or other person on whose
26 behalf the offering of a security is made and an underwriter, or a
27 transaction among underwriters.

28 7. A transaction in a bond or other evidence of indebtedness
29 secured by a real estate mortgage, deed of trust, personal property
30 security agreement, or by an agreement for the sale of real estate or
31 personal property, if the entire mortgage, deed of trust or agreement,
32 together with all the bonds or other evidences of indebtedness
33 secured thereby, is offered and sold as a unit.

34 8. A transaction by an executor, administrator, sheriff, marshal,
35 receiver, trustee in bankruptcy, guardian or conservator.

36 9. A transaction executed by a bona fide secured party without
37 the purpose of evading this chapter.

38 10. An offer to sell or the sale of a security to a financial or
39 institutional investor or to a broker-dealer.

40 11. Except as otherwise provided in this subsection, a
41 transaction pursuant to an offer to sell securities of an issuer if:

42 (a) The transaction is part of an issue in which there are not
43 more than 25 purchasers in this State, other than those designated in
44 subsection 10, during any 12 consecutive months;



1 (b) No general solicitation or general advertising is used in
2 connection with the offer to sell or sale of the securities;

3 (c) No commission or other similar compensation is paid or
4 given, directly or indirectly, to a person, other than a broker-dealer
5 licensed or not required to be licensed under this chapter, for
6 soliciting a prospective purchaser in this State; and

7 (d) One of the following conditions is satisfied:

8 (1) The seller reasonably believes that all the purchasers in
9 this State, other than those designated in subsection 10, are
10 purchasing for investment; or

11 (2) Immediately before and immediately after the
12 transaction, the issuer reasonably believes that the securities of the
13 issuer are held by 50 or fewer beneficial owners, other than those
14 designated in subsection 10, and the transaction is part of an
15 aggregate offering that does not exceed \$500,000 during any 12
16 consecutive months.

17 ↪ The Administrator by rule or order as to a security or transaction
18 or a type of security or transaction may withdraw or further
19 condition the exemption set forth in this subsection or waive one or
20 more of the conditions of the exemption.

21 12. An offer to sell or sale of a preorganization certificate or
22 subscription if:

23 (a) No commission or other similar compensation is paid or
24 given, directly or indirectly, for soliciting a prospective subscriber;

25 (b) No public advertising or general solicitation is used in
26 connection with the offer to sell or sale;

27 (c) The number of offers does not exceed 50;

28 (d) The number of subscribers does not exceed 10; and

29 (e) No payment is made by a subscriber.

30 13. An offer to sell or sale of a preorganization certificate or
31 subscription issued in connection with the organization of a
32 depository institution if that organization is under the supervision of
33 an official or agency of a state or of the United States which has and
34 exercises the authority to regulate and supervise the organization of
35 the depository institution. For the purpose of this subsection, "under
36 the supervision of an official or agency" means that the official or
37 agency by law has authority to require disclosures to prospective
38 investors similar to those required under NRS 90.490, impound
39 proceeds from the sale of a preorganization certificate or
40 subscription until organization of the depository institution is
41 completed, and require refund to investors if the depository
42 institution does not obtain a grant of authority from the appropriate
43 official or agency.

44 14. A transaction pursuant to an offer to sell to existing
45 security holders of the issuer, including persons who at the time of



1 the transaction are holders of transferable warrants exercisable
2 within not more than 90 days after their issuance, convertible
3 securities or nontransferable warrants, if:

4 (a) No commission or other similar compensation, other than a
5 standby commission, is paid or given, directly or indirectly, for
6 soliciting a security holder in this State; or

7 (b) The issuer first files a notice specifying the terms of the offer
8 to sell, together with a nonrefundable fee of \$300, and the
9 Administrator does not by order disallow the exemption within the
10 next 5 full business days.

11 15. A transaction involving an offer to sell, but not a sale, of a
12 security not exempt from registration under the Securities Act of
13 1933, 15 U.S.C. §§ 77a et seq., if:

14 (a) A registration or offering statement or similar record as
15 required under the Securities Act of 1933, 15 U.S.C. §§ 77a et seq.,
16 has been filed, but is not effective;

17 (b) A registration statement, if required, has been filed under
18 this chapter, but is not effective; and

19 (c) No order denying, suspending or revoking the effectiveness
20 of registration, of which the offeror is aware, has been entered by
21 the Administrator or the Securities and Exchange Commission, and
22 no examination or public proceeding that may culminate in that kind
23 of order is known by the offeror to be pending.

24 16. A transaction involving an offer to sell, but not a sale, of a
25 security exempt from registration under the Securities Act of 1933,
26 15 U.S.C. §§ 77a et seq., if:

27 (a) A registration statement has been filed under this chapter, but
28 is not effective; and

29 (b) No order denying, suspending or revoking the effectiveness
30 of registration, of which the offeror is aware, has been entered by
31 the Administrator and no examination or public proceeding that may
32 culminate in that kind of order is known by the offeror to be
33 pending.

34 17. A transaction involving the distribution of the securities of
35 an issuer to the security holders of another person in connection
36 with a merger, consolidation, exchange of securities, sale of assets
37 or other reorganization to which the issuer, or its parent or
38 subsidiary, and the other person, or its parent or subsidiary, are
39 parties, if:

40 (a) The securities to be distributed are registered under the
41 Securities Act of 1933, 15 U.S.C. §§ 77a et seq., before the
42 consummation of the transaction; or

43 (b) The securities to be distributed are not required to be
44 registered under the Securities Act of 1933, 15 U.S.C. §§ 77a et
45 seq., written notice of the transaction and a copy of the materials, if



1 any, by which approval of the transaction will be solicited, together
2 with a nonrefundable fee of \$300, are given to the Administrator at
3 least 10 days before the consummation of the transaction and the
4 Administrator does not, by order, disallow the exemption within the
5 next 10 days.

6 18. A transaction involving the offer to sell or sale of one or
7 more promissory notes each of which is directly secured by a first
8 lien on a single parcel of real estate, or a transaction involving the
9 offer to sell or sale of participation interests in the notes if the notes
10 and participation interests are originated by a depository institution
11 and are offered and sold subject to the following conditions:

12 (a) The minimum aggregate sales price paid by each purchaser
13 may not be less than \$250,000;

14 (b) Each purchaser must pay cash either at the time of the sale or
15 within 60 days after the sale; and

16 (c) Each purchaser may buy for the purchaser's own account
17 only.

18 19. A transaction involving the offer to sell or sale of one or
19 more promissory notes directly secured by a first lien on a single
20 parcel of real estate or participating interests in the notes, if the
21 notes and interests are originated by a mortgagee approved by the
22 Secretary of Housing and Urban Development under sections 203
23 and 211 of the National Housing Act, 12 U.S.C. §§ 1709 and 1715b,
24 and are offered or sold, subject to the conditions specified in
25 subsection 18, to a depository institution or insurance company, the
26 Federal Home Loan Mortgage Corporation, the Federal National
27 Mortgage Association or the Government National Mortgage
28 Association.

29 20. A transaction between any of the persons described in
30 subsection 19 involving a nonassignable contract to buy or sell the
31 securities described in subsection 18 if the contract is to be
32 completed within 2 years and if:

33 (a) The seller of the securities pursuant to the contract is one of
34 the parties described in subsection 18 or 19 who may originate
35 securities;

36 (b) The purchaser of securities pursuant to a contract is any
37 other person described in subsection 19; and

38 (c) The conditions described in subsection 18 are fulfilled.

39 21. A transaction involving one or more promissory notes
40 secured by a lien on real estate, or participating interests in those
41 notes, by:

42 (a) A mortgage banker licensed pursuant to chapter 645E of
43 NRS to engage in those transactions; or

44 (b) A mortgage broker licensed pursuant to chapter 645B of
45 NRS to engage in those transactions.



1 **22. An offer to sell or sale of a security by an issuer if the**
2 **transaction:**

3 **(a) Is conducted exclusively through one or more Internet**
4 **websites; and**

5 **(b) Satisfies the requirements of section 3 of this act.**

6 **Sec. 7.** This act becomes effective:

7 1. Upon passage and approval for the purposes of adopting
8 regulations and performing any other preparatory administrative
9 tasks that are necessary to carry out the provisions of this act; and

10 2. On January 1, 2016, for all other purposes.

