

FILE NUMBER: H.F. 328
Version: Second engrossment

DATE: March 20, 2015

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Subject: MNvest program

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Overview

This bill creates a MNvest program, which exempts from state regulation certain securities. The securities offered and sold must be from Minnesota businesses, to Minnesota residents, and conducted through a MNvest Web site portal.

Section

1 MNvest registration exemption.

Subd. 1. Definitions. Defines “MNvest issuer” as Minnesota businesses whose principal office, and majority of assets, are located in Minnesota, and meets certain federal requirements so that the related securities are governed by state law. Defines a “MNvest offering” as those securities offered by a MNvest issuer, through a “MNvest portal,” a Web site to be operated by either a registered Minnesota securities broker-dealer or nonbroker dealer pursuant to subdivision 7.

Subd. 2. Exemption. Exempts the MNvest program from registration and other state regulations regarding securities.

Subd. 3. Offering. Provides the requirements a MNvest offering must meet, including the amount and use of funds raised through an offering and sale, and administrative duties. Allows for advertisement and solicitation of a MNvest offering if certain disclosures and limited information about the MNvest issuer are provided.

Subd. 4. Disclosures. Requires MNvest issuers to disclose certain information to prospective purchasers, including information about the issuing business and the terms and conditions of the offering.

Section

Subd. 5. Purchaser certification. Requires prospective purchasers to certify that they understand the nature of the purchase, and that they are a Minnesota resident.

Subd. 6. MNvest portal. Provides the requirements a MNvest portal must meet, including working to limit access to the offerings to Minnesota residents, and the purchaser certification requirements as described in subdivision 5.

Subd. 7. Portal operator. Provides the requirements a portal operator must meet, including registration, abilities, and record-keeping. Provides some separate requirements and limitations for registered broker-dealers versus nonbroker dealers.

Subd. 8. Privacy of purchaser information. Provides that personal information provided to a portal operator by a purchaser can only be disclosed if the purchaser consents. However, personal information can be provided without consent to the commissioner of commerce, or to the MNvest issuer as it relates to the MNvest offering.

Subd. 9. Disqualification. Provides that certain bad-actors cannot participate in the MNvest program. Disqualified bad-actors include businesses, and their employees and owners, who have been penalized for activities relating to the sale of securities. Exceptions to disqualification are created in paragraphs (b) and (c).