HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 328 **DATE:** March 2, 2015
Version: As introduced

Authors: Loon and others

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 the MNvest website portal.

Section

1   **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 the "MNvest portal," a website to be operated by either a registered Minnesota securities broker-dealer or non-broker dealer pursuant to subdivision 7.

Subd. 2. Exemption. Exempts the MNvest system 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.

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.

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

Section

       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 non-broker dealers. Limits the liability of portal operators.

       Subd. 8. Deviation. Provides that, under certain circumstances, the failure to comply with the requirements of the MNvest program will not result in the MNvest issuer losing its exemption from state securities regulations.