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## Overview

The Securities and Exchange Commission (SEC) adopted new regulations regarding the exemption of securities offered for sale within a state to residents of that state. The SEC intends for these changes to facilitate crowdfunding under state securities law, such as the MNvest program. This bill makes clarifying and technical changes to incorporate these federal regulatory changes.

### Section

#### **1 MNvest registration exemption.**

**Subd. 1. Definitions.** Changes the definition of “MNvest issuer” to entities that are have their principal place of business in Minnesota and are conducting business in Minnesota. Defines “purchaser” and makes technical changes.

**Subd. 3. MNvest offering.** Provides that sales of securities under this section will not be integrated with other sales of securities or offerings if certain requirements are met. Requires that MNvest offerings indicate that they are to Minnesota residents only. Makes technical changes.

**Subd. 4. Required disclosures to prospective MNvest offering purchasers.** Requires that disclosure documents and certificates include a statement that sales will be made only to Minnesota residents, and resale for six months after the original sale must be to a Minnesota resident. Makes technical changes.

**Subd. 6. MNvest portal.** Makes technical changes.

**Section**

**Subd. 7. Portal operator.** Provides the title of the Portal Operator Registration Form.

**Subd. 9. Bad actor disqualification.** Adds that the bad actions of a “governor” of a limited liability company is a position that can lead to the disqualification of an entity from the sale of securities under this section.

**Subd. 10. Residence of purchasers.** Provides that sales of securities under this section may only be made to Minnesota residents, with definitions of residency for entities, individuals, and trusts.

Effective April 20, 2017.