

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 205

Introduced by Schumacher, 22.

Read first time January 15, 2013

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to the Securities Act of Nebraska; to amend
2 section 8-1123, Reissue Revised Statutes of Nebraska; to
3 change provisions relating to application of the act; to
4 provide for certain disclosures; to harmonize provisions;
5 and to repeal the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) It is the intent of the Legislature to
2 facilitate the mobilization of private capital for entrepreneurial
3 activity. Except for the provisions of this section, the Securities
4 Act of Nebraska shall not apply to the offer or sale of securities in
5 which:

6 (a) The proceeds from all sales of securities by the
7 issuer in any three-year period does not exceed two hundred fifty
8 thousand dollars;

9 (b) There is no fraud or conduct constituting a violation
10 of section 28-512 in connection with the offer or sale;

11 (c) Persons holding a direct or indirect ownership
12 interest in the issuer or in any way a beneficial interest in such
13 sale of securities have never previously been found by a final order
14 of an administrative agency or a court of competent jurisdiction to
15 have been disqualified from issuing securities pursuant to this
16 section or been in violation of any other provision of the Securities
17 Act of Nebraska or any similar act of any other state or of the
18 United States;

19 (d) At least thirty days prior to the offer or sale the
20 director was notified of the name, address, telephone number, and
21 email address of the issuer, the name and address of all persons
22 holding the direct or indirect ownership or beneficial interest in
23 the issuer or offer or sale, the amount and nature of the offer or
24 sale, and a statement made upon oath or affirmation that the
25 requirements of subdivisions (a) through (d) of this subsection have

1 been met; and

2 (e) At least ten days prior to payment of consideration
3 for the securities, the offeree or purchaser has signed a receipt of
4 a written notice in a form which states as follows: I have been
5 informed that the interest I am buying in (insert name of issuer) is
6 very likely HIGH RISK. It is very possible I will lose some or all of
7 the money I invest. If I suffer damages or lose my money I will have
8 fewer rights to recover my losses than I would have under some other
9 types of investments. I have been told that I may contact the
10 Department of Banking and Finance by telephoning (insert current
11 Department of Banking and Finance telephone number) with any concerns
12 I may have prior to the payment of my money. I certify that: (i) I
13 am years old; (ii) I have never had a guardian or conservator
14 appointed for me; (iii) I can afford to lose all the money I am
15 investing in (insert name of issuer); (iv) my current name, address,
16 and phone number is:; and (v) I have a net
17 worth of at least \$..... . (Disclosure of information under
18 subdivision (1)(e)(v) of this section is optional.)

19 (2) A copy of the completed and signed form set forth in
20 subdivision (1)(e) of this section shall be maintained by the offeror
21 or seller and, in the case of a purchaser who does not certify a net
22 worth of at least two hundred fifty thousand dollars, a copy of such
23 signed and completed form shall be filed by the offeror or seller
24 with the Department of Banking and Finance at least four days prior
25 to acceptance by the offeror or seller of consideration for the

1 securities.

2 (3) In the event that the director has probable cause to
3 believe that the offer or sale of securities pursuant to this section
4 does not qualify for the application of this section, the director
5 may issue and serve upon the offeror or seller a temporary stay of
6 the offer or sale and a notice to show cause why the temporary stay
7 should not be made permanent and may thereupon commence proceedings
8 under the Administrative Procedure Act to administratively establish
9 such disqualification or otherwise enter into a stipulation with the
10 offeror or seller governing the offer or sale of the securities.

11 Sec. 2. Section 8-1123, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 8-1123 Sections 8-1101 to 8-1123 and section 1 of this
14 act shall be known and may be cited as the Securities Act of
15 Nebraska.

16 Sec. 3. Original section 8-1123, Reissue Revised Statutes
17 of Nebraska, is repealed.