GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2015 REGULAR SESSION

HOUSE BILL NO. 76

AS ENACTED

WEDNESDAY, MARCH 11, 2015

RECEIVED AND FILED
DATE March 19, 2015
2:52 pm

ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY K. Adler

1 AN ACT relating to securities.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔SECTION 1. A NEW SECTION OF KRS 292.410 TO 292.415 IS CREATED

4 TO READ AS FOLLOWS:

5 ***(1) Except as expressly provided in this section and Section 2 of this Act, KRS***

6 ***292.330 to 292.390 shall not apply to the offer or sale of a security after July 1,***

7 ***2015, by the issuer of the security if all of the following conditions are met:***

8 ***(a) The issuer of the security is:***

9 ***1. A business entity organized under the laws of Kentucky;***

10 ***2. Authorized to do business in Kentucky; and***

11 ***3. Doing business in Kentucky in accordance with the Securities Act of***

12 ***1933 Rule, 17 C.F.R sec. 230.147(c);***

13 ***(b) The transaction meets the requirement of the federal exemption for***

14 ***intrastate offerings in the Securities Act of 1933 Rules, 15 U.S.C. sec.***

15 ***77c(a)(11) and 17 C.F.R. sec. 230.147;***

16 ***(c) The aggregate offering price of the securities complies with the following***

17 ***criteria:***

18 ***1. If the issuer has not undergone and made available to each***

19 ***prospective purchaser and the commissioner the opinion letter and***

20 ***applicable documentation resulting from a financial audit of its most***

21 ***recently completed fiscal year that complies with generally accepted***

22 ***accounting principles, the sum of all cash, and other consideration to***

23 ***be received for all sales of securities in reliance on this exemption,***

24 ***shall not exceed one million dollars ($1,000,000) in a twelve (12)***

25 ***month period, less the aggregate amount received for all sales of***

26 ***securities by the issuer that do not take place prior to the six (6) month***

27 ***period immediately preceding or after the six (6) month period***

1 *immediately following any offers or sales made in reliance on this*
2 *exemption;*
3 *2. If the issuer has undergone and made available to each prospective*
4 *purchaser and the commissioner the opinion letter and applicable*
5 *documentation resulting from a financial audit of its most recently*
6 *completed fiscal year that complies with generally accepted*
7 *accounting principles, the sum of all cash, and other consideration to*
8 *be received for all sales of securities in reliance on this exemption,*
9 *shall not exceed two million dollars ($2,000,000) in a twelve (12)*
10 *month period, less the aggregate amount received for all sales of*
11 *securities by the issuer that do not take place prior to the six (6) month*
12 *period immediately preceding or after the six (6) month period*
13 *immediately following any offers or sales made in reliance on this*
14 *exemption;*
15 *3. In 2020, and every fifth year thereafter, the commissioner shall, by*
16 *rule, cumulatively adjust the dollar limitations provided in this*
17 *paragraph to reflect the change in the Consumer Price Index for all*
18 *Urban Consumers, published by the federal Bureau of Labor*
19 *Statistics, rounding each dollar limitation to the nearest fifty thousand*
20 *dollars ($50,000); and*
21 *4. An offer or sale to an officer, director, partner, trustee, or individual*
22 *occupying similar status or performing similar functions with respect*
23 *to the issuer or to a person owning ten percent (10%) or more of the*
24 *outstanding shares of any class or classes of securities of the issuer*
25 *shall not count toward the monetary limitations set forth in this*
26 *paragraph;*
27 *(d) All sales that are part of the same offering, made in reliance on this*

1 *exemption, meet all of the terms and conditions of this exemption. Offers*
2 *and sales that are made more than six (6) months before the start of an*
3 *offering or are made more than six (6) months after completion of an*
4 *offering, shall not be considered part of the offering, if during those six (6)*
5 *month periods there are no offers or sales of securities by or for the issuer*
6 *that are of the same or a similar class as those offered or sold under this*
7 *exemption, other than offers and sales to individuals identified in the*
8 *disclosure document;*
9 *(e) The issuer does not accept more than ten thousand dollars ($10,000) from*
10 *any single purchaser unless the purchaser is an accredited investor, as*
11 *defined by the Securities Act of 1933 Rule, 17 C.F.R. sec. 230.501;*
12 *(f) Unless waived by written consent of the commissioner, not less than ten (10)*
13 *days before the commencement of an offering of securities, pursuant to this*
14 *exemption, the issuer submits the following to the commissioner:*
15 *1. A notice filing on a form prescribed by the department;*
16 *2. The filing fee established by the commissioner;*
17 *3. A copy of the disclosure document to be provided to prospective*
18 *purchasers pursuant to paragraph (p) of this subsection;*
19 *4. A copy of the escrow agreement entered pursuant to paragraph (g) of*
20 *this subsection; and*
21 *5. Any other documents or information the commissioner may require to*
22 *administer and enforce the requirement of this exemption;*
23 *(g) All cash and other consideration paid for securities sold pursuant to an*
24 *offering in accordance with this exemption are directed to and deposited*
25 *into a single escrow account maintained by a bank, credit union, or other*
26 *depository financial institution located in Kentucky, authorized to do*
27 *business in Kentucky, and which maintains deposit or share insurance on*

1 *its deposits or shares. The escrow agent for any such escrow account shall*
2 *maintain the records necessary to obtain pass-through insurance for the*
3 *escrowed funds. The commissioner may request information from the*
4 *financial institution necessary to ensure compliance with this section. Any*
5 *information received by the commissioner or the department shall be*
6 *confidential and shall not be subject to disclosure pursuant to the Kentucky*
7 *Open Records Act, KRS 61.870 to 61.884;*
8 *(h) Offers made pursuant to this exemption state a target offering amount and*
9 *an offering deadline. The offering deadline shall not be less than twenty-*
10 *one (21) days nor more than one (1) year from the date the offer is made;*
11 *(i) If the sum of all cash and other consideration received and held in escrow,*
12 *as required by paragraph (g) of this subsection, does not equal or exceed the*
13 *target offering amount upon expiration of the offering deadline or the early*
14 *closing of the offering, pursuant to paragraph (k) of this subsection, the*
15 *transaction is void and the escrow agent shall return all funds deposited*
16 *into the escrow account to the purchasers;*
17 *(j) A purchaser is permitted to cancel his or her commitment to invest at any*
18 *time prior to forty-eight (48) hours before expiration of the offering*
19 *deadline if notice of cancellation is delivered electronically or physically in*
20 *writing to the individual or addresses identified in the disclosure document.*
21 *If a purchaser is given notice of an early closing, pursuant to paragraph (k)*
22 *of this subsection, the purchaser shall be permitted to cancel the*
23 *commitment within seventy-two (72) hours of delivery of the notice;*
24 *(k) An issuer may close an offering prior to the offering deadline if notice of*
25 *the closing is delivered to each purchaser in accordance with the notice*
26 *provisions set forth in the disclosure document, required pursuant to*
27 *paragraph (p) of this subsection, and posts it conspicuously on each*

1 *Internet Web site on which the offer was posted, at least five (5) days prior*
2 *to the early closing;*
3 *(l) Before or as a result of the offering, the issuer is not:*
4 *1. An investment company, as defined by the Investment Company Act of*
5 *1940, 15 U.S.C. sec. 80a-3;*
6 *2. An entity that would be an investment company, but for the exclusions*
7 *provided in the Investment Company Act of 1940, 15 U.S.C. sec. 80a-*
8 *3(c);*
9 *3. Subject to the reporting requirements of the Securities and Exchange*
10 *Act of 1934, 15 U.S.C. sec. 78m or 15 U.S.C. sec. 78o(d); or*
11 *4. A company that has not yet defined its business operations, has no*
12 *business plan, has no stated investment goal for the funds being*
13 *raised, or that plans to engage in a merger or acquisition with an*
14 *unspecified business entity;*
15 *(m) The issuer informs all prospective purchasers of securities that the*
16 *securities have not been registered under federal or state securities law and*
17 *that the securities are subject to limitations on resale. The issuer shall*
18 *display the following notice on the cover page of the disclosure document in*
19 *a conspicuous manner in at least twelve (12) point, boldface type:*
20 *"BEWARE, YOU MAY LOSE YOUR ENTIRE INVESTMENT IN THIS*
21 *TRANSACTION.*
22 *IN MAKING AN INVESTMENT DECISION, INVESTORS SHALL RELY*
23 *ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS*
24 *OF THE OFFERING, INCLUDING THE MERITS AND RISKS*
25 *INVOLVED. THESE SECURITIES HAVE NOT BEEN*
26 *RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES*
27 *COMMISSION OR DIVISION OR REGULATORY AUTHORITY.*

1 *FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT*
2 *CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY*
3 *OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY*
4 *IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO*
5 *RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY*
6 *NOT BE TRANSFERRED OR RESOLD, EXCEPT AS PERMITTED BY*
7 *SUBSECTION (e) OF SEC RULES 147, 17 C.F.R. sec. 230.147(e) AS*
8 *PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS*
9 *AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS,*
10 *PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.*
11 *INVESTORS SHALL BE AWARE THAT THEY WILL BE REQUIRED*
12 *TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN*
13 *INDEFINITE PERIOD OF TIME.";*
14 *(n) The issuer requires each purchaser to certify in writing or electronically as*
15 *follows:*
16 *"I understand and acknowledge that I am investing in a high-risk,*
17 *speculative business venture. I may lose all of my investment, or under some*
18 *circumstances more than my investment, and I can afford this loss. This*
19 *offering has not been reviewed or approved by any state or federal securities*
20 *commission or division or other regulatory authority and no such person or*
21 *authority has confirmed the accuracy or determined the adequacy of any*
22 *disclosure made to me relating to this offering. The securities I am*
23 *acquiring in this offering are illiquid, there is no ready market for the sale*
24 *of such securities, it may be difficult or impossible for me to sell or*
25 *otherwise dispose of this investment, and accordingly, I may be required to*
26 *hold this investment indefinitely. I may be subject to tax on my share of the*
27 *taxable income and losses of the company, whether or not I have sold or*

1 *otherwise disposed of my investment or received any dividends or other*
2 *distributions from the company.";*
3 *(o) The issuer obtains from each prospective purchaser evidence that the*
4 *prospective purchaser is a resident of Kentucky and, if applicable, is an*
5 *accredited investor. A prospective purchaser's residence shall be determined*
6 *in accordance with the Securities Act of 1933 Rule, 17 C.F.R. sec.*
7 *230.147(d). An affirmative representation made by a natural person that the*
8 *individual is a Kentucky resident and proof of at least one (1) of the*
9 *following shall be considered sufficient evidence that the individual is a*
10 *resident of Kentucky:*
11 *1. A valid Kentucky driver's license or other official personal*
12 *identification card issued by the Commonwealth of Kentucky;*
13 *2. A current Kentucky voter registration; or*
14 *3. General property tax records showing that the individual owns and*
15 *occupies property in Kentucky as his or her principal residence;*
16 *(p) The issuer shall provide a disclosure document to each prospective*
17 *purchaser at the time the offer of securities is made that contains all of the*
18 *following:*
19 *1. A description of the company, its type of entity, the address and*
20 *telephone number of its principal office, its history, its business plan,*
21 *and the intended use of the offering proceeds, including any amounts*
22 *to be paid as compensation or otherwise to any owner, executive*
23 *officer, director, managing member, or other person occupying a*
24 *similar status with the company or performing similar functions on*
25 *behalf of the issuer;*
26 *2. The identity of all persons owning more than ten percent (10%) of the*
27 *ownership interests of any class of securities of the company;*

1 *3. The identity of the executive officers, directors, managing members,*
2 *and other persons occupying a similar status or performing similar*
3 *functions in the name of and on behalf of the issuer, including their*
4 *titles and prior experience;*
5 *4. The terms and conditions of the securities being offered and of any*
6 *outstanding securities of the company;*
7 *5. The offering deadline and the target offering amount;*
8 *6. Any conditions upon which the issuer may exercise its right to close*
9 *an offering prior to the offering deadline, including but not limited to*
10 *the notice that will be provided to both purchasers and potential*
11 *purchasers if the offering is closed prior to the offering deadline and*
12 *the method in which the notice will be delivered;*
13 *7. Either the percentage ownership of the company represented by the*
14 *offered securities or the valuation of the company implied by the price*
15 *of the offered securities;*
16 *8. The price per share, unit, or interest of the securities being offered;*
17 *9. Any restrictions on transfer of the securities being offered;*
18 *10. A disclosure of any anticipated future issuance of securities that might*
19 *dilute the value of securities being offered;*
20 *11. The identity of any person who has been or will be retained by the*
21 *issuer to assist the issuer in conducting the offering and sale of the*
22 *securities, including any Internet Web site operator, but excluding*
23 *persons acting solely as accountants, attorneys, or employees whose*
24 *primary job responsibilities involve operating the business of the*
25 *issuer;*
26 *12. A description of the consideration being paid to any person identified*
27 *in subparagraph 11. of this paragraph, for such assistance to the*

1 *issuer;*

2 *13. A description of any litigation, legal proceedings, or pending*

3 *regulatory action involving the company or its management;*

4 *14. The names and addresses, including the Uniform Resource Locator,*

5 *of each Internet Web site that will be used by the issuer to offer or sell*

6 *securities pursuant to this exemption;*

7 *15. The name of the individual and addresses to which purchasers may*

8 *deliver cancellations, pursuant to paragraph (j) of this subsection.*

9 *Issuers shall provide the name of at least one natural person with both*

10 *an electronic and a physical address to which cancellations may be*

11 *delivered;*

12 *16. Current financial statements certified by the principal executive*

13 *officer shall be true and complete in all material respects. If*

14 *applicable, the documentation required by paragraph (c)2. of this*

15 *subsection shall also be provided; and*

16 *17. Any additional information material to the offering, including if*

17 *appropriate, a written statement of significant factors that make the*

18 *offering speculative or risky. This statement shall be concise and*

19 *organized logically and shall not be limited to risks that could apply to*

20 *any issuer or any offering;*

21 *(g) 1. The exemption shall not be used if an issuer or person affiliated with*

22 *the issuer or offering is subject to disqualification pursuant to:*

23 *a. The Securities Act of Kentucky, KRS Chapter 292;*

24 *b. A rule or order of the commissioner;*

25 *c. The Securities Act of 1933, 15 U.S.C. sec. 77c(a)(11); or*

26 *d. The Securities Act of 1933 Rule, 17 C.F.R. sec. 230.262.*

27 *2. Disqualification may be set aside by the commissioner if:*

1 *a. Upon a showing of good cause and without prejudice to any*
2 *other action by the commissioner, the commissioner determines*
3 *that it is not necessary that an exemption be denied under the*
4 *circumstances; and*
5 *b. The issuer establishes that it made a factual inquiry into whether*
6 *any disqualification existed under this subsection, but did not*
7 *know and could not have known in the exercise of reasonable*
8 *care that a disqualification existed. The nature and scope of the*
9 *requisite inquiry will vary based on the circumstances of the*
10 *subject issuer and the other offering participants;*
11 *(r) The offering is made exclusively through one (1) or more Internet Web sites*
12 *that are operated by a broker-dealer, registered pursuant to KRS 292.330, or*
13 *an Internet Web site operator, registered pursuant to Section 2 of this Act.*
14 *Each issuer and registrant shall comply with the following:*
15 *1. Before any offer or sale of securities, the issuer shall provide to the*
16 *registrant evidence that the issuer is organized under the laws of*
17 *Kentucky and is authorized to do business in Kentucky;*
18 *2. The registrant shall maintain continuous registration with the*
19 *department;*
20 *3. The registrant shall limit Web site access to the offer or sale of*
21 *securities to Kentucky residents only;*
22 *4. The registrant shall not be a purchaser in any offering made pursuant*
23 *to this exemption;*
24 *5. The registrant shall not hold an interest in or be affiliated with or*
25 *under common control with any issuer making an offer or sale*
26 *pursuant to this exemption;*
27 *6. Prior to and throughout the term of any offering, the registrant shall*

1 give the commissioner access to the Internet Web site on which any
2 offering is made pursuant to this exemption; and
3 7. The issuer may distribute a limited notice stating that the issuer is
4 conducting an offering pursuant to this exemption, the name of the
5 registrant or registrants through which the offer is being conducted,
6 and a link directing potential purchasers to the Internet Web site of
7 the registrant or registrants. The notice shall contain a disclaimer that
8 states that the offering is limited to Kentucky residents;
9 (s) The issuer shall make and keep all accounts, correspondence, memoranda,
10 papers, books, and other records which the commissioner prescribes by
11 administrative regulation or order. All required records shall be:
12 1. Preserved for three (3) years unless the commissioner prescribes
13 otherwise for particular types of record, by administrative regulation
14 or order; and
15 2. Maintained within this state, or at the request of the commissioner be
16 made available at any time for examination by the department in the
17 issuer's principal office or by production of exact copies in this state;
18 and
19 (t) The issuer shall provide, free of charge, a quarterly report to the issuer's
20 purchasers until no securities issued under this exemption are outstanding.
21 The issuer may satisfy this reporting requirement by making the
22 information available on an Internet Web site if the information is made
23 available within forty-five (45) days after the end of each fiscal quarter and
24 remains available until the succeeding quarterly report is issued. The issuer
25 shall file each quarterly report with the department and, if the quarterly
26 report is made available on an Internet Web site, the issuer shall also
27 provide a written copy of the report to any purchaser upon request. The

1 *report shall contain all of the following:*
2 *1. Any compensation received by each director or executive officer,*
3 *including cash compensation earned since the previous report and on*
4 *an annual basis, any bonuses, stock options, or other rights to receive*
5 *securities of the issuer or any affiliate of the issuer, and payments that*
6 *reduce personal living expenses, such as company vehicle, free*
7 *housing, meals, or club dues; and*
8 *2. An analysis by the issuer's management of the business operations*
9 *and financial condition of the issuer.*
10 *(2) The provisions of KRS 292.410(3) and (4) shall apply to the exemption set forth*
11 *in this section.*
12 ➔SECTION 2. A NEW SECTION OF KRS 292.410 TO 292.415 IS CREATED
13 TO READ AS FOLLOWS:
14 *(1) This section applies to registrants operating an Internet Web site pursuant to*
15 *subsection (1)(r) of Section 1 of this Act.*
16 *(2) Broker-dealers registered pursuant to KRS 292.330 and operating an Internet*
17 *Web site, pursuant to subsection (1)(r) of Section 1 of this Act, shall make an*
18 *annual notice filing with the department on a form prescribed by the*
19 *commissioner, but shall be otherwise exempt from the provisions of this section.*
20 *(3) In lieu of the registration requirements of KRS 292.330, a person may apply for*
21 *registration with the department as an Internet Web site operator by filing an*
22 *application on a form prescribed by the commissioner that shall include the*
23 *following:*
24 *(a) The Internet Web site operator is a business entity organized pursuant to*
25 *the laws of Kentucky, authorized to do business in Kentucky, and engaged*
26 *exclusively in intrastate offers and sales of securities in Kentucky;*
27 *(b) The Internet Web site operator is solely engaged in the business of*

1 *operating an Internet Web site in accordance with this section and*
2 *subsection (1)(r) of Section 1 of this Act;*
3 *(c) The identity, location, and contact information for the Internet Web site*
4 *operator and any director, executive officer, general partner, managing*
5 *member, or other person with management authority designated by the*
6 *commissioner;*
7 *(d) A statement that the Internet Web site operator or any director, executive*
8 *officer, general partner, managing member, or other person with*
9 *management authority of the Internet Web site operator has never been*
10 *subject to any conviction, order, judgment, decree, or other action specified*
11 *in the Securities Act of 1933 Rule, 17 C.F.R. sec. 230.506(d); and*
12 *(e) Any other documents, certifications, or information the commissioner may*
13 *require to administer and enforce the requirements of this section.*
14 *(4) (a) An Internet Web site operator registered pursuant to this section shall:*
15 *1. Charge a fee to an issuer for an offering of securities on the Internet*
16 *Web site only in a:*
17 *a. Fixed amount for each offering;*
18 *b. Variable amount based on the length of time that securities are*
19 *offered on the Internet Web site; or*
20 *c. Combination of the fixed and variable amounts; and*
21 *2. Comply with any other requirements that the commissioner, by*
22 *administrative regulation or order, determines is necessary or*
23 *appropriate in the public interest or for the protection of investors.*
24 *(b) An Internet Web site operator registered pursuant to this section shall not:*
25 *1. Offer investment advice or recommendations;*
26 *2. Solicit purchases, sales, or offers to buy the securities offered or*
27 *displayed on its Internet Web site;*

1 *3. Compensate employees, agents, or other persons for the solicitation of*
2 *securities or the sale of securities displayed or referenced on the*
3 *Internet Web site;*
4 *4. Be compensated based on the amount of securities sold;*
5 *5. Identify, promote, or otherwise refer to any individual security offered*
6 *on its Internet Web site in any advertising for the Internet Web site; or*
7 *6. Hold, manage, possess, or handle purchaser funds or securities.*
8 *(5) Each application filed pursuant to subsection (3) of this section shall be*
9 *accompanied by the filing fee established by the commissioner and a surety bond*
10 *filed with the application in an amount satisfactory to the commissioner, but no*
11 *less than fifty thousand dollars ($50,000). The surety bond shall be in favor of the*
12 *Commonwealth and shall secure payment of costs, fines, and damages to any*
13 *person determined by the commissioner, after a hearing conducted in accordance*
14 *with KRS Chapter 13B, to be aggrieved by an Internet Web site operator's*
15 *violation of this section and Section 1 of this Act.*
16 *(6) Registration as an Internet Web site operator shall expire annually. Subsequent*
17 *registration may be issued upon filing of a written renewal application, on a form*
18 *prescribed by the commissioner and upon payment of the renewal fee established*
19 *by the commissioner.*
20 *(7) Each Internet Web site operator registered pursuant to the section shall make*
21 *and keep all accounts, correspondence, memoranda, papers, books, and other*
22 *records which the commissioner prescribes by administrative regulation or order.*
23 *All required records shall be:*
24 *(a) Preserved for three (3) years, unless the commissioner, by administrative*
25 *regulation or order, prescribes otherwise for specified types of records; and*
26 *(b) 1. Kept within this state; or*
27 *2. At the request of the commissioner be made available at any time for*

1 *examination by the department in the principal office of the registrant,*
2 *or by production of exact copies to the department.*
3 *(8) The commissioner may conduct examinations of any Internet Web site operator*
4 *registered pursuant to this section:*
5 *(a) 1. At a date and time specified by the commissioner; and*
6 *2. Within the scope determined by the commissioner;*
7 *(b) Without prior notice to the Internet Web site operator; and*
8 *(c) The Internet Web site operator shall pay the reasonable expense*
9 *attributable to any examination, not to exceed an amount prescribed by the*
10 *commissioner by administrative regulation.*
11 *(9) If any change occurs that results in an Internet Web site operator no longer*
12 *meeting the minimum requirements for registration as set forth in this section,*
13 *the Internet Web site operator shall provide notice of such change to the*
14 *commissioner as soon as practicable after discovery. Within thirty (30) days of*
15 *delivery of the notice provided in this subsection, the Internet Web site operator*
16 *shall, unless otherwise permitted or directed by the commissioner, cease and*
17 *desist from operating an Internet Web site operator pursuant to subsection (1)(r)*
18 *of Section 1 of this Act.*
19 *(10) The commissioner may deny, refuse to renew, condition, limit, suspend, or revoke*
20 *the registration of an Internet Web site operator for any of the grounds set forth*
21 *in KRS 292.337, which are applicable to a broker-dealer, agent, investment*
22 *adviser, or investment adviser representative.*
23 *(11) Except as provided in subsection (12) of this section, the commissioner shall not*
24 *issue an order pursuant to subsection (10) of this section without appropriate*
25 *notice to the applicant or registrant, opportunity for a hearing, and written*
26 *findings of fact and conclusions of law in accordance with KRS Chapter 13B.*
27 *(12) The commissioner may take emergency action against an applicant or registrant,*

1 ***in accordance with the provisions set forth in KRS 13B.125, if such action is in***
2 ***the public interest and there is substantial evidence of a violation of law that***
3 ***constitutes an immediate danger to the public health, safety, or welfare.***
4 ➔Section 3. Sections 1 and 2 of this Act shall be known and may be referred to as
5 the Kentucky Intrastate Crowdfunding Exemption.

Speaker-House of Representatives

President of Senate

Attest: Chief Clerk of House of Representatives

Approved Governor

Date 3/19/15