

## **18 NCAC 06A .2004 EXEMPTION LIMITATIONS**

- (a) An issuer shall set a target offering amount, a target date, and a minimum offering amount for the securities offering.
- (b) An issuer conducting a securities offering shall:
- (1) set a target offering amount of no more than two million dollars (\$2,000,000) in any 12 consecutive months if its disclosure document includes audited or reviewed financial statements for its most recently completed full fiscal year or the immediately preceding 12 months;
  - (2) set a target offering amount of no more than one million dollars (\$1,000,000) in any 12 consecutive months if its disclosure document does not include audited or reviewed financial statements;
  - (3) set a minimum offering amount that shall be no less than 20 percent of the target offering amount set by the issuer and disclosed in the disclosure document; and
  - (4) set a target date for the securities offering that shall be no later than 12 months from the date of the Administrator's notice of compliance pursuant to Rule .2015(1) of this Section.
- (c) An issuer shall not accept more than five thousand dollars (\$5,000) in any 12-month period from any single investor who is not accredited. An accredited investor is defined by 17 CFR 230.501, which is incorporated by reference. Copies of 17 CFR 230.501 are available at no cost by sending an email request to [secdiv@sosnc.gov](mailto:secdiv@sosnc.gov) or online at <http://www.sosnc.gov/sec/statutes.aspx>.
- (d) The securities offering shall expire 12 months from the date of the Administrator's notice of compliance pursuant to Rule .2015(1) of this Section.
- (e) The securities offering shall not be exempt under G.S. 78A-17.1 unless the issuer has received the Administrator's notice of compliance pursuant to Rule .2015(1) of this Section.
- (f) The offering or sale of a security that may be qualified for the Exemption but has not received the Administrator's notice of compliance pursuant to Rule .2015(1) of this Section shall be presumed to violate the Securities Act.
- (g) An issuer shall not offer a security relying on the Exemption until it receives the Administrator's notice of compliance pursuant to Rule .2015(1) of this Section.
- (h) An issuer shall not be eligible to rely on the Exemption if it is a holding company, blind pool, commodity pool, a blank check company, peer-to-peer, or similar online marketplace lender, real estate investment trust (REIT), a company issuing viatical settlement contracts, or a company issuing asset-backed securities as defined in 17 CFR 229.1101(c), which is incorporated by reference including subsequent amendments and editions. Copies of 17 CFR 229.1101(c) are available at no cost by sending an email request to [secdiv@sosnc.gov](mailto:secdiv@sosnc.gov) or online at <http://www.sosnc.gov/sec/statutes.aspx>.

*History Note:* Authority G.S. 78A-17.1(a)(5); 78A-17.1(f); 78A-49(a); 78A-49(d); 78A-64; S.L. 2016-103, s.4.(a);  
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