

18 NCAC 06A .2038 FUNDING PORTAL DENIAL OF ACCESS

(a) A funding portal shall exercise due diligence in determining whether an issuer's securities offering presents the potential for fraud or other investor protection concerns.

(b) A funding portal shall deny access to its platform to an issuer or entity if it determines that there is a reasonable basis for believing that any of the following are subject to disqualification pursuant to G.S. 78A-17.1(e):

- (1) the issuer;
- (2) any of the issuer's officers, directors, or persons occupying a similar status or performing a similar function; or
- (3) holders of 10 percent or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power.

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);
Eff. April 1, 2017.