

Rulemaking Fact Sheet

(5 M.R.S. § 8057-A)

AGENCY: Office of Securities, Department of Professional and Financial Regulation

NAME, ADDRESS, PHONE NUMBER OF AGENCY CONTACT PERSON:

Judith M. Shaw, Administrator
Maine Office of Securities
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CHAPTER NUMBER AND RULE TITLE:

Chapter 528, FEDERAL "REGULATION A" TIER 2 NOTICE FILINGS AND FEES

STATUTORY AUTHORITY:

32 M.R.S. §§ 16302 and 16605

DATE AND PLACE OF PUBLIC HEARING:

Thursday, January 7, 2016 at 10:00 a.m.
Department of Professional and Financial Regulation
Kennebec Room
76 Northern Avenue
Gardiner, Maine

COMMENT DEADLINE:

Written comments must be received no later than 4:30 p.m. on Tuesday, January 19, 2016 and should be addressed to: Judith M. Shaw, Securities Administrator, 121 State House Station, Augusta, Maine 04330.

PRINCIPAL REASON OR PURPOSE FOR PROPOSING THIS RULE:

The purpose of this rule is to provide transparency in the securities offerings made in Maine under Tier 2 of federal "Regulation A" (17 C.F.R. §§ 230.251 – 230.263). The rule would enhance investor protection in Maine by providing potential investors with easier access to information about the securities offerings through the Office of Securities. In addition, increased transparency would allow the Office of Securities to more effectively fulfill its investigative and enforcement authorities under Regulation A. The rule will accomplish this purpose by requiring notice filings and fees when Tier 2 securities are offered in Maine.

ANALYSIS AND EXPECTED OPERATION OF THE RULE:

Prior to recent changes in federal law, all Regulation A offerings made in Maine were subject to registration in Maine and the submission of initial and annual renewal filing fees. New federal regulations preempt state authority to register Regulation A Tier 2 securities, but states have authority to require notice filings and fees and to investigate and bring enforcement actions for violations related to these securities. The proposed rule would require initial and renewal notice filings and the submission of fees for Tier 2 offerings in Maine.

FISCAL IMPACT OF THE RULE:

The initial and renewal fees associated with filings under this proposed rule are \$1,000.00. These are the same fees issuers previously paid to register securities under Regulation A in Maine. Because recent changes to Regulation A are designed to increase its use, a minor revenue increase to the General Fund is expected. The staff time associated with processing the additional notice filings and pursuing the Office's oversight duties is expected to result in a minor cost increase against the Office's Other Special Revenue Funds. Any additional revenue collected and costs incurred by the Office of Securities in the Department of Professional and Financial Regulation are expected to be minor, and the costs can be absorbed within existing budgeted resources.

FOR RULES WITH FISCAL IMPACT OF \$1 MILLION OR MORE, ALSO INCLUDE:

ECONOMIC IMPACT, WHETHER OR NOT QUANTIFIABLE IN MONETARY TERMS:

INDIVIDUALS OR GROUPS AFFECTED AND HOW THEY WILL BE AFFECTED:

BENEFITS OF THE RULE:

Note: If necessary, additional pages may be used.