



PAUL R. LEPAGE
GOVERNOR

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME
04333-0121

JUDITH M. SHAW
Securities Administrator

BASIS STATEMENT AND SUMMARY OF COMMENTS

New Rule Chapter 527: Federal Regulation Crowdfunding Notice Filing and Fees

Chapter 527 establishes notice filing requirements and filing fees for securities offered or sold in Maine under federal Regulation Crowdfunding (17 C.F.R. § 227) and Sections 4(a)(6) and 18(b)(4)(C) of the Securities Act of 1933 when the issuer's principal place of business is in Maine or when 50% or more of the aggregate amount of an offering is sold to Maine residents. Under the proposed rule, an issuer would provide notice of an offering to the Securities Administrator on a Uniform Notice of Federal Crowdfunding Offering form or by submitting copies of the offering documents filed with the Securities and Exchange Commission.

Under the Securities Act of 1933, each state has jurisdiction to investigate and bring enforcement actions with respect to fraud or deceit or unlawful conduct by a broker, dealer, funding portal, or an issuer in connection with Regulation Crowdfunding securities or securities transactions. The Securities Act also provides states with the authority to require notice filings and fees, which support states' investigative and enforcement responsibilities over regulation Crowdfunding offerings.

The rule is authorized by Sections 16302 and 16605 of the Maine Uniform Securities Act (32 M.R.S. §§ 16302, 16605).

Pursuant to the Maine Administrative Procedure Act, notice of the proposed rule was posted on the Office of Securities website and emailed to interested parties on March 20, 2018, and notice was published in the Secretary of State's consolidated rulemaking ad in Maine newspapers on March 21, 2018. A public hearing on the rule was not scheduled by the Office of Securities, and a hearing was not requested by the public. The public comment period ended April 30, 2018.

No comments were received on the proposed rule. Accordingly, Chapter 527 was adopted as proposed.



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PHONE: (207) 624-8551
TTY users call Maine Relay 711
FAX: (207) 624-8590
www.Investors.Maine.gov

OFFICE LOCATED AT:
76 NORTHERN AVENUE
GARDINER, MAINE 04345
Please use this address for private mail carriers
only