

441-025-0005

Self-Executing Registration Exemptions

(1) (a) The securities listed in ORS 59.025 are exempt from registration or notice filing requirements. Sales of securities listed in 59.025 may only be effected through licensed persons, unless a person is otherwise exempted by statute or rule. Except as provided in subsection (b) no filing or fee is required to utilize any registration exemption in 59.025.

(b) A renewable energy cooperative corporation must file with the director the information required under OAR 441-025-0125 in order to rely upon the exemption provided in ORS 59.025(12).

(2) Persons relying on exemptions from registration have the burden of proof, pursuant to ORS 59.275, in establishing the availability of an exemption.

441-025-0121

General Requirements for Renewable Energy Cooperative Corporations

(1) In order to rely on the exemption under ORS 59.025(12), a renewable energy cooperative corporation must:

(a) Have a certificate of existence issued by the Oregon Secretary of State pursuant to ORS 62.065 and be in good standing;

(b) Meet all the conditions set out in 441-025-0122;

(c) Provide the disclosures in the manner required by 441-025-0123; and

(d) Make any required filings under 441-025-0125.

(2) Reliance on ORS 59.025(12) does not preclude renewable energy cooperative corporations from relying on other exemptions under 59.025 or 59.035, as appropriate, for the offer or sale of membership shares, capital stock, or other authorized securities.

441-025-0020

Manual Exemption

Securities maintaining the following ratings by publishers of securities manuals are approved for the purpose of the exemption from registration in subsection (5) of ORS 59.025:

(1) Ratings of BBB or better for debt securities, and ratings of F-3 or better for commercial paper by Fitch Investors Service, Inc.

(2) Ratings of Baa or better for debt securities and ratings of P-3 or better for commercial paper by Moody's Investors Service.

Stat. Auth.: ORS 59.285

Stats. Implemented: ORS 59.025

Hist.: CC 13, f. 9-19-73, ef. 10-1-73; Renumbered from 815-030-0025.5; CC 1-1978, f. & ef. 1-4-78; Renumbered from 815-030-0020; FCS 4-1990, f. & cert. ef. 8-21-90; FCS 7-2000; f. & cert. ef. 6-2-00; FCS 9-2001, f. & cert. ef. 9-28-01

441-025-0050

Additional Exempt Employee Benefit Plans

Pursuant to ORS 59.025(15), securities issued in connection with an employee benefit plan are exempt from registration if the plan:

- (1) Is subject to or voluntarily complies with Title I of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001-1191c;
- (2) Meets the requirements of Section 403(b) of the Internal Revenue Code, 26 U.S.C. § 403(b); or
- (3) Does not permit employee contributions.

Stat. Auth.: ORS 59.285

Stats. Implemented: ORS 59.025

Hist.: CC 3, f. 10-2-69, ef. 10-25-69; Renumbered from 815-010-0010; CC 2-1978, f. 6-5-78, ef. 6-10-78; Renumbered from 815-030-0025; FCS 3-1987(Temp), f. 9-24-87, ef. 9-28-87; FCS 5-1988, f. 3-22-88, cert. ef. 2-25-88; FCS 4-1990, f. & cert. ef. 8-21-90; FCS 7-2000; f. & cert. ef. 6-2-00; FCS 1-2012, f. & cert. ef. 7-9-12

441-035-0005

Self-Executing Transaction Exemptions

- (1) Except for ORS 59.035(11), OAR 441-035-0045, OAR 441-035-0300 for certain compensatory benefit plans, and the Oregon Intrastate Offering Exemption (OIO) at 441-035-0070 et seq., exemptions available pursuant to ORS 59.035 are self-executing and do not require filing or a fee.
- (2) Persons relying on exemptions from registration have the burden of proof, pursuant to ORS 59.275, in establishing the availability of an exemption.

441-035-0030

Manual Exemption

The following are approved for the purposes of the exemption granted under ORS 59.035(10)(c):

- (1) The Mergent securities manual;
- (2) Fitch Investors Service securities manual; and
- (3) The OTCQX and OTCQB markets.

441-035-0045

Solicitation of Interest for Offering of Securities Pursuant to SEC Regulation A

- (1) An offer, but not a sale, of a security made by or on behalf of an issuer for the sole purpose of soliciting an indication of interest in receiving a prospectus (or its equivalent) for such security is exempt under ORS 59.035(15) if all of the following conditions are satisfied:

- (a) The issuer is or will be a business entity organized under the laws of one of the states or possessions of the United States or one of the provinces or territories of Canada, is engaged in or proposes to engage in a business other than petroleum exploration or production or mining or other extractive industries and is not a "blank check company," as such term is defined in OAR 441-045-0010(2);
- (b) The offerer intends to conduct its offering pursuant to Regulation A under the Securities Act of 1933 and register the securities in Oregon under OAR 441-065-0020;
- (c) At least 10 business days prior to the initial solicitation of interest under this rule, the offerer files with the Director:
 - (A) A completed solicitation of interest application on a form prescribed by the Director along with any other materials to be used to conduct solicitations of interest, including, but not limited to, the script of any broadcast to be made and a copy of any notice to be published;
 - (B) The minimum registration fee as set in OAR 441-065-0001;
 - (C) A completed Form U-4 (salesperson application available from the Securities Section) for at least one, but no more than five, issuer salespersons (each such salesperson must be a bona fide officer, director or employee of the issuer); and
 - (D) A salesperson licensing fee as set in OAR 441-175-0002 for each salesperson.
- (d) At least five business days prior to usage, the offerer files with the Director any amendments to the foregoing materials or additional materials to be used to conduct solicitations of interest, except for materials provided to a particular offeree pursuant to a request by that offeree;
- (e) No Solicitation of Interest Form, script, advertisement or other material which the offerer has been notified by the Director not to distribute is used to solicit indications of interest;
- (f) Except for scripted broadcasts and published notices, the offerer does not communicate with any offeree about the contemplated offering unless the offeree is provided with the most current Solicitation of Interest Form at or before the time of the communication or within five days from the communication;
- (g) During the solicitation of interest period, the offerer does not solicit or accept money or a commitment to purchase securities;
- (h) No sale is made until at least seven days after delivery to the purchaser of a final prospectus, or in those instances in which delivery of a preliminary prospectus is allowed hereunder, a preliminary prospectus;
- (i) The offerer does not know, and in the exercise of reasonable care, could not know that the issuer or any of the issuer's officers, directors, ten percent shareholders or promoters:
 - (A) Has filed a registration statement which is the subject of a currently effective registration stop order entered pursuant to any federal or state securities law within five years prior to the filing of the Solicitation of Interest Form.
 - (B) Has been convicted within five years prior to the filing of the Solicitation of Interest Form of any felony or misdemeanor in connection with the offer, purchase or sale of any security or any felony involving fraud or deceit, including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud.

(C) Is currently subject to any federal or state administrative enforcement order or judgment entered by any state securities administrator or the Securities and Exchange Commission within five years prior to the filing of the Solicitation of Interest Form or is subject to any federal or state administrative enforcement order or judgment entered within five years prior to the filing of the Solicitation of Interest Form in which fraud or deceit, including, but not limited to, making untrue statements of material facts and omitting to state material facts, was found.

(D) Is subject to any federal or state administrative enforcement order or judgment which prohibits, denies, or revokes the use of any exemption from registration in connection with the offer, purchase or sale of securities.

(E) Is currently subject to any order, judgment, or decree of any court of competent jurisdiction temporarily or preliminarily restraining or enjoining, or is subject to any order, judgment or decree of any court of competent jurisdiction permanently restraining or enjoining, such party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of any false filing with the state entered within five years prior to the filing of the Solicitation of Interest Form.

(F) The prohibitions listed in paragraphs (A) through (E) of this subsection shall not apply if the person subject to the disqualification is duly licensed or registered to conduct securities related business in the state in which the administrative order or judgment was entered against such person or if the broker-dealer employing such party is licensed in this state and the Form B-D filed with this state discloses the order, conviction, judgment or decree relating to such person. No person disqualified under this subsection may act in a capacity other than that for which the person is licensed. Any disqualification caused by this action is automatically waived if the agency which created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances that the exemption be denied.

(2) A failure to comply with any condition of section (1) of this rule will not result in the loss of the exemption under ORS 59.035(15) for any offer to a particular individual or entity if the offerer shows:

(a) The failure to comply did not pertain to a condition directly intended to protect that particular individual or entity;

(b) The failure to comply was insignificant with respect to the offering as a whole; and

(c) A good faith and reasonable attempt was made to comply with all applicable conditions of section (1). Where an exemption is established only through reliance upon this section (2), the failure to comply shall nonetheless be actionable as a violation of the Act by the Director under ORS 59.245 and 59.255 and constitute grounds for denying, withdrawing or conditioning the exemption pursuant to 59.045 as to a specific security or transaction.

(3) The offerer shall comply with the requirements set forth below. Failure to comply will not result in the loss of the exemption under ORS 59.035(15), but shall be a violation of the Oregon Securities Law, be actionable by the Director under 59.245 and 59.255, and constitute grounds for denying, withdrawing or conditioning the exemption pursuant to 59.045 as to a specific security or transaction:

(a) Any published notice or script for broadcast must contain at least the identity of the chief executive officer of the issuer, a brief and general description of its business and products, and the following legends:

(A) AN OFFERING STATEMENT PURSUANT TO REGULATION A RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

INFORMATION CONTAINED IN THIS PRELIMINARY OFFERING CIRCULAR IS SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME AN OFFERING CIRCULAR WHICH IS NOT DESIGNATED AS A PRELIMINARY OFFERING CIRCULAR IS DELIVERED AND THE OFFERING STATEMENT FILED WITH THE COMMISSION BECOMES QUALIFIED.

(B) THIS PRELIMINARY OFFERING CIRCULAR SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALES OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE LAWS OF ANY SUCH STATE.

(C) WE MAY ELECT TO SATISFY OUR OBLIGATION TO DELIVER A FINAL OFFERING CIRCULAR BY SENDING YOU A NOTICE WITHIN TWO BUSINESS DAYS AFTER THE COMPLETION OF OUR SALE TO YOU THAT CONTAINS THE URL WHERE THE FINAL OFFERING CIRCULAR OR THE OFFERING STATEMENT IN WHICH SUCH FINAL OFFERING CIRCULAR WAS FILED MAY BE OBTAINED; and

(b) All communications with prospective investors made in reliance on this rule must cease after a registration statement is filed in this state, and no sale may be made until at least 20 calendar days after the last communication made in reliance on this rule.

(4) The Director may waive any condition of this exemption in writing, upon application by the offerer and cause having been shown. Neither compliance nor attempted compliance with this rule, nor the absence of any objection or order by the Director with respect to any offer of securities undertaken pursuant to this rule, shall be deemed to be a waiver of any condition of the rule or deemed to be a confirmation by the Director of the availability of this rule.

(5) Offers made in reliance on this rule will not result in a violation of ORS 59.055 by virtue of being integrated with subsequent offers or sales of securities unless such subsequent offers and sales would be integrated under federal securities laws.

(6) Issuers on whose behalf indications of interest are solicited under this rule may not make offers or sales in reliance on ORS 59.025(7), 59.035(5), 59.035(12) or OAR 441-035-0050 until six months after the last communication with a prospective investor made pursuant to this rule.

441-035-0300

Certain Compensatory Benefit Plans

(1) Except as provided in subsection (4) of this rule, under ORS 59.035(15), the offer and sale of securities by an issuer pursuant to a compensatory benefit plan offering that is exempt under SEC Rule 701 (17 CFR 230.701) is exempt from registration provided that the issuer submits:

(a) Notice to the Director on an approved form is provided no later than 30 days after the initial offer and sale of any a security subject to this exemption; and

(b) Payment of a fee of 1/10 of 1% of the amount offered in Oregon, with a minimum fee of \$200 and a maximum fee of \$1,500.

(c) Options to purchase securities become subject to the notice and fee requirements of this section when the option grant is made regardless of when the option becomes exercisable.

(2) This rule shall only apply to offers and sales where the federal exemption under 17 CFR 230.701 is available to the issuer for this offering.

(3) The filing is effective as of the date the securities sold in reliance on this exemption are offered and sold provided that the filing and fee requirements under subsection (1) or (4) are satisfied. Upon receipt of a filing, the Director shall provide written acknowledgment of the filing to the person submitting the request for the filing. An improvident failure by the Director to acknowledge the filing shall not invalidate the filing.

(4) (a) Failure to file the notice according to subsection (1)(a) of this rule does not affect the availability of this exemption provided that, within 15 business days after discovery of the failure to file or after demand by the director, whichever occurs first, the issuer files the notice and pays the Director a fee equal to the maximum aggregate fee payable had the transaction been qualified under subsection (1)(b) of this rule.

(b) Securities previously registered under OAR 441-065-0270 are not subject to the fee requirements of (1)(b) as a condition of reliance on this exemption.

(5) If an issuer becomes subject to the reporting requirements of section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) after it has made offers in reliance on this exemption, the issuer may nevertheless rely on this exemption to sell the securities previously offered to the persons to whom those offers were made.

(6) Under ORS 59.015(18)(b)(B), an individual employed by the issuer of a security sold in reliance on this exemption is not required to be licensed in Oregon to offer or sell securities under the plan.

(7)(a) A filer shall amend the notice on a form approved by the director when there are material changes in the terms and conditions of the original notice or Plan. "Material changes in the terms and conditions of the original notice or plan" means an increase in the aggregate amount of securities to be offered in Oregon, change in the type of securities or change in the identity of the issuer or owner.

(b) Notice of an amendment to increase the aggregate amount of securities to be offered in Oregon shall include the fee calculated in accordance with subsection (1)(b), less amounts previously paid under the prior notice. The amendment fee may not be less than \$100. (c) The notice is effective when received by the director.

(8) Offers and sales exempt under this rule are deemed to be a part of a single, discrete offering and are not subject to integration with any other offers or sales, whether registered under ORS 59.065 or otherwise exempt from registration under ORS 59.025 or ORS 59.035.

(9) This rule relates to transactions exempted from the registration requirements of ORS 59.065. These transactions are still subject to the antifraud, civil liability, or other provisions of the Oregon Securities Law.

441-049-1001

Fees for Federal Covered Securities Notice Filings

Pursuant to ORS 59.049, for new filings received on or after July 1, 2017 or renewal filings effective on or after July 1, 2017, the Director sets the following fees for notice filings for federal covered securities:

- (1) For an investment company, other than a unit investment trust, an initial filing fee of \$545 and renewal notice filing fee of \$535 per portfolio. Issuers may submit filings containing multiple portfolios, provided the portfolios are identified in the Form NF and correct fees are paid.
- (2) For a unit investment trust notice filing, an initial fee of \$500 per portfolio and a renewal fee of \$500 per portfolio. Issuers may submit filings containing multiple portfolios, provided the portfolios are identified in the Form NF and correct fees are paid.
- (3) For a notice filing for offerings to qualified purchasers, or of federally exempt securities or federally exempt transactions pursuant to section 18(b)(3) or (4), other than section 18(b)(4)(E), of the Securities Act of 1933, as amended, a fee of \$200. No renewal notice filing or fee is required.
- (4) For a Regulation D Rule 506 offering notice filing, a fee of \$250. No renewal notice filing or fee is required.

441-049-1011

Scope and Definitions

(1)(a) Scope of rule. The Notice Filing Rules (OAR 441-049-1011 to 441-049-1051) provide Oregon procedures for notice filings and renewals under ORS 59.049.

(b) Application of Notice Filing Rules:

(A) An offering under the Notice Filing Rules does not have to comply with OAR 441 Division 065 Registration of Securities or 441 Division 070 Renewal of Securities Registrations; and

(B) An effective offering under former OAR 441-025-0045 or an effective registered offering that qualifies for the Notice Filing Rules shall become subject to the Notice Filing Rules when the person that previously filed under former 441-025-0045 or securities offering registrant files under the notice filing renewal procedures in 441-049-1021(6).

(2) Definitions. As used in the Notice Filing Rules:

(a) "Investment company notice filing" means a filing by a mutual fund, unit investment trust or other investment company, that covers a security that would be a federal covered security pursuant to section 18(b)(2) of the Securities Act of 1933, as amended;

(b) "NASAA" means the North American Securities Administrators Association Inc.;

(c) "NASAA Form NF" means the Uniform Investment Company Notice Filing form adopted by the NASAA;

(d) "Notice Filing Rules" means the rules in OAR 441-049-1011 to 441-049-1051;

(e) "Offering to qualified purchaser," "federally exempt security" or "federally exempt transactions" means offerings of federal covered securities that are subject to section 18(b)(3) or

18(b)(4) of the Securities Act of 1933, as amended, but does not include section 18(b)(4)(E) of that Act;

(f) "Rule 506 offering" means an offering of federal covered securities that is subject to section 18(b)(4)(E) of the Securities Act of 1933, as amended;

(g) "SEC" means the Securities and Exchange Commission; and

(h) "SEC Form D" means " Form D; Notice of Exempt Offering of Securities.

441-049-1051

Rule 506 Offerings

A person offering a covered security under section 18(b)(4)(E) shall:

(1) (a) File a notice on SEC Form D not later than 15 days after the first sale of securities subject to the notice in Oregon;

(b) For the purposes of notice, submit to the director the aggregate amount offered in Oregon;

(A) An offering amount may be "Indefinite" if the amount being offered is undetermined or cannot be calculated at the present time, such as if the offering includes securities to be acquired upon the exercise or exchange of other securities or property and the exercise price or exchange value is not currently known or knowable.

(B) If an amount is definite but difficult to calculate without unreasonable effort or expense, provide a good faith estimate.

(2) Pay a fee as set in OAR 441-049-1001.

441-175-0002

Fees for Licensing or Notice Filing of Firms and Individuals

Pursuant to ORS 59.175, the director sets the following fees for licensing or notice filing of firms and individuals:

(1) For a broker-dealer, an initial license fee of \$250 and a renewal license fee of \$250;

(2) For a state investment adviser, an initial license fee of \$200 and a renewal license fee of \$200;

(3) For a federal covered investment adviser, an initial notice filing fee of \$200 and a renewal notice filing fee of \$200;

(4) For a broker-dealer salesperson, an initial license fee of \$60 and a renewal license fee of \$50;

(5) For an investment adviser representative, an initial license fee of \$50 and a renewal license fee of \$50;

(6) For an agent of an issuer, an initial license fee of \$50 and a renewal license fee of \$50; and

(7) For a filing for use of a trade name or an assumed business name, a one time fee of \$50

441-175-0020

Exclusion from Definition of “Broker-Dealer”

ORS 59.015 excludes from the definition of "broker-dealer" the following persons, provided the person is not otherwise licensed as a broker-dealer, investment adviser, or salesperson:

- (1) Any person who effects sales of securities that are exempt under subsection (14) of ORS 59.025 and OAR 441-025-0040.
- (2) Any person who is a bona fide officer, director or employee of an issuer whose securities are registered under OAR 441-065-0035, while effecting sales of the securities without special compensation.
- (3) Any person, who serves as a dealer manager for an exchange offer of securities which have been registered under OAR 441-065-0035 and who does not perform any active solicitation activities in this state.
- (4) Any person who is a licensed Principal Real Estate Broker or Real Estate Broker acting on behalf of that person's Principal Real Estate broker, provided that all of the following conditions are met:
 - (a) The person is actively licensed with the Oregon Real Estate Commissioner;
 - (b) The person, with respect to securities subject to the Oregon Securities Law, ORS Chapter 59, only effects transactions in securities that are registered under 59.065, and:
 - (A) Involve interests in a general or limited partnership, joint venture, cooperative, or unincorporated association, but not a corporation, formed for the purpose of investment in specified real property, including condominium securities; or
 - (B) Involve resale of those securities described under paragraph (A) of this subsection.
 - (c) The person complies with the rules of fair practice under OAR 441-175-0050; and
 - (d) The person does not engage exclusively in the management of rental real estate as defined in ORS 696.010.
- (5) The director may, by order, as to any person or type of security or sale, withdraw or condition the exclusions allowed under this rule if the action would be in the public interest and would be in accordance with the purposes of the Oregon Securities Law. No person shall be liable under the Oregon Securities Law by reason of the withdrawal of the exclusions allowed under this rule if the person sustains the burden of proof that the person did not know and, in the exercise of reasonable care, could not have known of such withdrawal.

441-175-0030

Exclusion from Definition of “Investment Adviser”

ORS 59.015 excludes from the definition of "state investment adviser" the following persons, provided the person is not otherwise licensed as a broker-dealer, state investment adviser, mortgage broker, salesperson, or investment adviser representative:

- (1) Any person who conducts no public advertising or general solicitation in this state and whose only clients in this state are "accredited investors" as that term is defined in OAR 441-035-0010.

- (2) Any person who is a bona fide officer, director or employee of an issuer whose securities are registered under OAR 441-065-0035, while providing advice, analyses, reports or other advisory services regarding the securities without special compensation.
- (3) Any person who serves as a dealer manager for an exchange offer of securities which has been registered under OAR 441-065-0035 and who does not perform any active solicitation in this state.
- (4) Any person whose advice, analyses or reports relate only to securities exempted by subsection (14) of ORS 59.025 and OAR 441-025-0040.
- (5) Any person who is a licensed Principal Real Estate Broker or Real Estate Broker acting on behalf of the Principal Real Estate broker if:
 - (a) The person is actively licensed with the Oregon Real Estate Commissioner;
 - (b) The person, with respect to securities activities, only renders advice, analyses, reports or other advisory services relating to securities that are registered under ORS 59.065, and:
 - (A) Involve interests in a general or limited partnership, joint venture, cooperative, or unincorporated association, but not a corporation, formed for the purpose of investment in specified real property, including condominium securities; or
 - (B) Involve the resale of those securities described in paragraph (A) of this subsection.
 - (c) The person complies with the rules of fair practice under OAR 441-175-0050; and
 - (d) The person does not engage exclusively in the management of rental real estate as defined in ORS 696.010.
- (6) Any person who acts as a purchaser representative under OAR 441-065-0060 through 441-065-0230 if the activity is merely an incidental part of the person's usual activities or occupation.
- (7) Any person who is licensed as a mortgage banker or mortgage broker under the provisions of ORS 59.840 to 59.965 and whose performance of advisory services relate solely to securities involving real estate paper, whose performance of the advisory services is solely incidental to the person's conduct of business as a mortgage banker or mortgage broker and who receives no special compensation for such services.
- (8) The director may, by order, as to any person or type of security or sale, withdraw or condition the exclusions allowed under this rule if the action would be in the public interest and would be in accordance with the purposes of the Oregon Securities Law. No person shall be liable under the Oregon Securities Law by reason of the withdrawal of the exclusions allowed under this rule if the person sustains the burden of proof that the person did not know and, in the exercise of reasonable care, could not have known of such withdrawal.