

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to amend and reenact § 13.1-514.1 of the Code of Virginia, relating to exemption of certain securities from Blue Sky laws.*

[H 2614]

Approved

**Be it enacted by the General Assembly of Virginia:**

**1. That § 13.1-514.1 of the Code of Virginia is amended and reenacted as follows:**

§ 13.1-514.1. Exemption of certain securities by order of Commission.

A. The Commission may by order exempt from the other provisions of this chapter any security that the Commission finds:

1. Is to be offered and sold as part of a community undertaking to attract new business or industry to the community, or to establish or continue financial assistance to an existing business or industry in the community;

2. Is sponsored by the local chamber of commerce, by a local industrial development corporation or by other groups of representative local businessmen; and

3. Is to be sold mainly to persons interested in the development of the community by salesmen who receive no compensation for offering and selling the security.

B. The Commission may also exempt any security it finds that is to be offered and sold by any person organized and operated not for private profit but exclusively for religious, educational, benevolent, charitable, fraternal, social, athletic or reformatory purposes, or as a chamber of commerce or trade or professional association.

C. The Commission may, by rule, exempt an offer, but not a sale, of a security from the securities and agent registration requirements of this chapter 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 the security. The rulemaking proceeding shall give due consideration to the provisions of the national pilot project of the North American Securities Administrators Association, Inc., relating to the solicitations of indications of interest prior to the filing of a registration statement. The written documents, broadcasts and oral representations related to solicitation of an indication of interest made to potential investors are subject to the anti-fraud provisions of § 13.1-502. If the Commission determines that such exemption should not be granted, it shall set forth the findings and conclusions upon which its decision is based in its order.

The provisions of this subsection shall expire on July 1, 1997.