

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 598

S. P. 200

In Senate, February 24, 1977

Referred to the Committee on Business Legislation. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary

Presented by Senator Merrill of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Concerning the Blue Sky Law.

Be it enacted by the People of the State of Maine, as follows:

32 MRSA § 874, sub-§ 9, as enacted by PL 1967, c. 484, § 10, is amended to read:

9. Corporation. Any sale of securities of a corporation organized under the laws of this State if the number of holders of such securities does not at the time of such sale, and will not in consequence of such sale exceed ~~10~~ **25** in number exclusive of persons specified in subsection 8 **and if the securities sold in reliance on this subsection have not been offered to the general public by advertisement or solicitation.**

STATEMENT OF FACT

The purpose of this bill is to amend the Maine Blue Sky Law to facilitate the raising of capital by small Maine corporations.

The Maine Blue Sky Law requires that, subject to certain exemptions, all sales of securities in Maine be registered with the Superintendent of Banks and Banking. Complying with this registration requirement for the sale of its securities is particularly burdensome for the small Maine corporation. Present law exempts from the registration requirement the sale of securities of a Maine corporation if the total number of security holders, both before and after the sale, does not exceed 10. This bill raises the number of security holders that a Maine corporation may permissibly have and still qualify for exemption from registration on the sale of its securities to 20.

This bill assures that the policy of investor protection embodied in the Maine Blue Sky Law is not sacrificed by denying the exemption from registration if the securities are offered to the general public by means of advertising or solicitation.