



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
Office of Securities
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Augusta, ME
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PAUL R. LEPAGE
GOVERNOR

JUDITH M. SHAW
Securities Administrator

BASIS STATEMENT AND SUMMARY OF COMMENTS
Amendment to Chapter 523: Rule Regarding Short-Form Seed Capital Registrations

Basis Statement

The Securities Administrator proposed changes to Chapter 523 to simplify the process of offering securities under Fund-ME, Maine's crowdfunding law found at 32 M.R.S.A. § 16304(6-A). The changes streamline the Offering Circular, which is the registration document issuers must complete, reduce the requirements associated with the impoundment of funds raised, increase the minimum offering amount from 30% to 50% of the total offering amount, and institute basic reporting requirements.

On April 5, 2017, notice of an April 27, 2017 public hearing on the proposed changes to Chapter 523 was provided in the Secretary of State's consolidated advertisement in Maine newspapers, pursuant to 5 M.R.S.A. § 8053. Notice was further provided to interested parties on April 6, 2017 by posting on the Office of Securities website and by electronic distribution via Granicus. The public comment period ended May 9, 2017.

No members of the public attended the April 27, 2017 hearing, and the Office of Securities received one comment on the proposed changes that was submitted to the Securities Administrator by email.

Comments and Responses

Comment: Clifford P. Ryan of Elder Planning Advisors of Maine, Inc. commented that business, investors, and the public will benefit from the clarity and efficiency of the proposed changes; that he supports pursuing the changes; and he thanked the Administrator and her staff for their work on the proposal.

Office of Securities response: The Office of Securities appreciates Mr. Ryan's supportive comments.

The changes to Rule 523 were adopted as proposed.



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