I certify that the attached copies are true, full and correct copies of the TEMPORARY Rule(s) adopted on Upon filing, by the
Department of Consumer and Business Services, Finance and Securities Regulation

<table>
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<tr>
<th>Agency and Division</th>
<th>Administrative Rules Chapter Number</th>
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<tr>
<td>Karen Winkel</td>
<td>441</td>
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<th>Rules Coordinator</th>
<th>Telephone</th>
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<tr>
<td>Karen Winkel</td>
<td>(503) 947-7694</td>
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350 Winter St. NE, Salem, OR 97301

To become effective 07/12/2017 through 01/07/2018.

RULE CAPTION
Updates Oregon Intrastate Offering Exemption rules to comply with federal changes to intrastate advertising

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION
Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

ADOPT:
441-035-0080, 441-035-0090, 441-035-0120, 441-035-0130, 441-035-0140, 441-035-0150

AMEND:

SUSPEND:

Statutory Authority:
ORS 59.035

Other Authority:

Statutes Implemented:
ORS 59.035

RULE SUMMARY
In January of 2015, the division adopted rules allowing Oregon small businesses to raise capital without having to register their securities. Businesses can take advantage of the exemption from registration if the offering is conducted entirely within the borders of the state and adheres to specific advertising restrictions based on the Securities and Exchange Commission's (SEC) Rule 147. On April 20, 2017, a new rule, Rule 147A, became effective. Rule 147A allows issuers to advertise offerings to residents of the state in which the issuer has its primary place of business even if that advertisement reaches residents in other states. Incidental advertising is permitted so long as sales are restricted to in-state residents only and particular disclosures are contained in the advertisement. Rule 147A made a number of changes to modernize the rules governing intrastate offerings. The changes to the federal rules leave Oregon with more stringent requirements than those at the federal level. The division is proposing these temporary rules in order to avoid confusion amongst issuers who may believe that changes at the federal level automatically carry down to Oregon's intrastate offering rules. Issuers that do not comply with Oregon's rules risk losing access to the Oregon exemption ultimately resulting in selling unregistered securities. The sale of unregistered securities can result in investor lawsuits and civil penalties. Without this temporary rule Oregon issuers could be prejudiced.

Karen Winkel karen.j.winkel@oregon.gov

Rules Coordinator Name Email Address