

NEBRASKA ADMINISTRATIVE CODE

Last Issue Date: April 7, 1999

Title 48 - DEPARTMENT OF BANKING AND FINANCE

Chapter 23 – PROMOTERS’ EQUITY INVESTMENT

001    GENERAL.

001.01 This Rule has been promulgated pursuant to authority delegated to the Director in Section 8-1120(3) of the Securities Act of Nebraska (“Act”).

001.02 The Department has determined that this Rule relating to promoters' equity investment in promotional or development stage companies is consistent with investor protection and is in the public interest.

001.03 The Director may, on a case by case basis, and with prior written notice to the affected persons, require adherence to additional standards or policies, as deemed necessary in the public interest.

001.04 The definitions in 48 NAC 2 apply to the provisions of this Rule, unless otherwise specified.

002    MINIMUM PROMOTERS’ EQUITY. A public securities offering by a promotional or development stage company may be disallowed by the Director if the promoters' equity investment is less than:

002.01 Ten percent (10%) of the first \$1,000,000 of the aggregate public offering; and

002.02 Seven percent (7%) of the next \$500,000 of the aggregate public offering; and

002.03 Five percent (5%) of the next \$500,000 of the aggregate public offering; and

002.04 Two and one-half percent (2 1/2%) of the balance over \$2,000,000, which may include items submitted by a promoter to meet this requirement whose value has been accepted by the Director.

003 WAIVER OF RULE. While applications not conforming to the standards contained herein shall be looked upon with disfavor, where good cause is shown, certain provisions of this Rule may be waived by the Director.