



Ohio Revised Code Section 1707.05 Definitions.

Effective: March 31, 2021

Legislation: House Bill 312 - 133rd General Assembly

As used in sections 1707.05 to 1707.058 of the Revised Code:

(A) "OhioInvests issuer" means an entity organized under the laws of this state, other than a general partnership, that meets all of the following requirements:

(1) The entity satisfies the requirements of 17 C.F.R. 230.147A.

(2) The entity meets at least one of the following conditions:

(a) The principal office of the entity is located in this state.

(b) As of the last day of the most recent semiannual fiscal period of the entity, at least eighty per cent, as described under 17 C.F.R. 230.147A, of the entity's assets were located in this state.

(c)(i) The entity derived at least eighty per cent, or other threshold permitted under 17 C.F.R. 230.147A, of the entity's gross revenues from the operation of a business in this state during the previous fiscal year, if the OhioInvests offering begins during the first six months of the entity's fiscal year, or during the twelve months ending on the last day of the sixth month of the entity's current fiscal year, if the OhioInvests offering begins following the last day.

(ii) Division (A)(2)(c)(i) of this section does not apply to any entity whose gross revenue during the most recent period of twelve months did not exceed five thousand dollars.

(3) As to itself or any other person, the entity does not attempt to limit any liability under, or avoid any prohibition in, this chapter.

(4) The entity is not any of the following:



(a) Engaged in the business of investing, reinvesting, owning, holding, or trading in securities, except that the entity may hold securities of one class in an entity that is not itself engaged in the business of investing, reinvesting, owning, holding, or trading in securities;

(b) Subject to the reporting requirement of 15 U.S.C. 78m and 78o(d);

(c) Issuing fractional undivided interests in oil or gas rights, or a similar interest in other mineral rights, or engaging primarily in petroleum, gas, or hydraulic fracturing exploration, production, mining, or other extractive industries;

(d) Issuing life settlement interests;

(e) Engaged as a substantial part of its business in the purchase, sale, or development of commercial paper, notes, or other indebtedness, financial instruments, securities, or real property; purchasing, selling, or holding for investment commercial paper, notes, or other indebtedness, financial instruments, securities, or real property; or otherwise making investments;

(f) A commodity pool, equipment leasing program, or a real estate investment trust.

(B) "OhioInvests offering" means an offer, or an offer and sale, of securities by an OhioInvests issuer that is exempt from registration under section 1707.051 of the Revised Code.

(C) "OhioInvests portal" means a web site that is operated by a portal operator for the offer or sale of securities of an OhioInvests issuer and meets all of the following requirements:

(1) When conducting an OhioInvests offering, it implements steps to limit web site access to residents of only this state in accordance with 17 C.F.R. 230.147A.

(2) It does not allow an OhioInvests offering to be viewed by a prospective purchaser until both of the following occur:

(a) The portal operator verifies, through its exercise of reasonable steps, such as using a third-party verification service or as otherwise approved by the division of securities, that the prospective



purchaser is a resident of this state.

(b) The prospective purchaser makes an affirmative acknowledgment, electronically through the portal, of the following:

"I am an Ohio resident.

The securities and investment opportunities listed on this web site involve high-risk, speculative business ventures. If I choose to invest in any securities or investment opportunity listed on this web site, I may lose all of my investment, and I can afford such a loss.

The securities and investment opportunities listed on this web site have not been reviewed or approved by any state or federal securities commission or division or other regulatory authority, and no such person or authority has confirmed the accuracy or determined the adequacy of any disclosure made to prospective investors relating to any offering.

If I choose to invest in any securities or investment opportunity listed on this web site, I understand that the securities I will acquire may be difficult to transfer or sell, that there is no ready market for the sale of such securities, that it may be difficult or impossible for me to sell or otherwise dispose of this investment at any price, and that, accordingly, I may be required to hold this investment indefinitely."

(3) It does not contain the word "OhioInvests" in its internet address.

(D) "Portal operator" means an entity, including an issuer, that is authorized to do business in this state, is licensed with the division of securities under section 1707.054 of the Revised Code or is a licensed dealer, and satisfies any other conditions determined by the division.

(E) "Executive management" includes executive officers, directors, governors, and managers.