



Ohio Revised Code

Section 1707.06 Transactions requiring registration.

Effective: October 8, 2001

Legislation: Senate Bill 32 - 124th General Assembly

(A) The following transactions in securities may be carried out upon compliance with sections 1707.08 and 1707.11 of the Revised Code:

(1) The sale of its securities by a corporation may be so carried out when no part of the securities to be sold is issued directly or indirectly in payment or exchange for intangible property or for property not located in this state, and when the total commission, remuneration, expense, or discount, excluding legal, accounting, and printing fees of the corporation, in connection with the sale of those securities does not exceed three per cent of the initial offering price of those securities.

(2) The sale of its securities by any corporation may be so carried out when the securities are sold to not more than a maximum of thirty-five purchasers, the aggregate commission, discount, or other remuneration, excluding legal, accounting, and printing fees, paid or given directly or indirectly in connection with the sale of those securities does not exceed ten per cent of the initial offering price, and those securities are issued and disposed of for the sole account of the issuer in good faith and not for the purpose of avoiding this chapter. For the purposes of this division, neither of the following shall be included among the thirty-five purchaser maximum:

(a) Any purchaser of at least one hundred thousand dollars of the offered securities;

(b) Any director or executive officer of the issuing corporation.

(3) The sale of securities representing an interest in a partnership, limited liability company, limited partnership, partnership association, syndicate, pool, trust, trust fund, or other unincorporated association may be so carried out if the securities are sold to not more than a maximum of thirty-five purchasers, the aggregate commission, discount, or other remuneration, excluding legal, accounting, and printing fees, paid or given directly or indirectly in connection with the sale of those securities does not exceed ten per cent of the initial offering price, and the sale is made in good faith and not for the purpose of avoiding this chapter. For the purposes of this division, neither of the following



shall be included among the thirty-five purchaser maximum:

- (a) Any purchaser of at least one hundred thousand dollars of the offered securities;
 - (b) Any trustee, general partner, director, or executive officer of the issuer, or any member of a limited liability company, if the issuer is a limited liability company in which the management is reserved to its members, or manager of a limited liability company, if the issuer is a limited liability company in which the management is not reserved to its members.
- (4) The offering and sale of additional securities of a corporation, made by it to its own security holders exclusively, may be so carried out where no commission or other remuneration is paid or given directly or indirectly in connection with the offering and sale, other than a commission in respect of the securities purchased by such security holders or a discount in respect of the securities not purchased by the security holders, or both, paid by the corporation to a dealer who has agreed to purchase all of those securities not taken by the security holders.
- (B) An issuer engaging in any transaction specified in this section shall not be deemed a dealer. Any commission, discount, or other remuneration for sales in this state of securities specified in this section shall be paid only to dealers or salespersons licensed pursuant to this chapter.
- (C) For the purpose of this section, each of the following is deemed to be a single purchaser of a security:
- (1) Husband and wife;
 - (2) A child and its parent or guardian when the parent or guardian holds the security for the benefit of the child;
 - (3) A corporation, a limited liability company, a partnership, an association or other unincorporated entity, a joint-stock company, or a trust, but only if the corporation, limited liability company, partnership, association, entity, joint-stock company, or trust was not formed for the purpose of purchasing the security.



(D) A sale of securities registered under section 1707.09 or 1707.091 of the Revised Code or sold pursuant to an exemption under this chapter shall not be integrated with a sale pursuant to this section in computing the number of purchasers under this section.