



Ohio Revised Code

Section 1707.131 Refusing registration.

Effective: September 16, 2003

Legislation: House Bill 7 - 125th General Assembly

(A) For purposes of this section, "five per cent shareholder" means a beneficial owner of five per cent or more of the issuer's outstanding securities.

(B) The division of securities shall refuse any registration by description, by qualification, or by coordination if the issuer is in the development stage and either has no specific business plan or purpose or has indicated that its business is to engage in a merger or acquisition with an unidentified company or companies, or other entities or persons.

(C) The division may refuse any registration by description, by qualification, or by coordination if either of the following applies:

(1) The issuer does not disclose in the final offering circular, prospectus, or form U-7 of the North American securities administrators association that any future transaction with an officer, director, five per cent shareholder, manager, trustee, or general partner will be on terms no less favorable to the issuer than could be obtained from an independent third party.

(2) The issuer does not disclose both of the following in the final offering circular, prospectus, or form U-7 of the North American securities administrators association:

(a) Any outstanding loan from the issuer to an officer, director, five per cent shareholder, manager, trustee, or general partner is required to be repaid within six months of the offering, except for a loan or extension of credit made by a bank.

(b) Any future loan from the issuer to an officer, director, five per cent shareholder, manager, trustee, or general partner will be for a bona fide business purpose and approved by a majority of the disinterested directors, managers, trustees, or general partners, or will be a type of transaction involving a director or executive officer of the issuer that is permitted by section 13(k) of the "Securities Exchange Act of 1934," 116 Stat. 787, 15 U.S.C.A. 78m, as amended.



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