

2019 -- H 5598

=====
LC000941
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

—————
A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS AND PARTNERSHIPS - RHODE
ISLAND UNIFORM SECURITIES ACT - VIRTUAL CURRENCY

Introduced By: Representatives Place, Nardone, Filippi, Roberts, and Chippendale

Date Introduced: February 27, 2019

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 7-11-101 and 7-11-402 of the General Laws in Chapter 7-11
2 entitled "Rhode Island Uniform Securities Act" are hereby amended to read as follows:

3 **7-11-101. Definitions.**

4 In this chapter:

5 (1) "Broker-dealer" means a person engaged in the business of effecting transactions in
6 securities for the account of others or for the person's own account. "Broker-dealer" does not
7 include:

8 (i) A sales representative;

9 (ii) An issuer, except when effecting transactions other than as to its own securities;

10 (iii) Any other person that the director, by rule or order, designates; or

11 (iv) A depository institution if the depository institution is not considered to be a "broker"

12 or "dealer" within the meaning of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78c(a)(4)

13 and (5)) or any regulation or rule adopted by the Securities and Exchange Commission under the

14 Act (the "Act") because the depository institution engages in any one or more of the activities

15 described in the following provisions of the Act, under the conditions set forth in:

16 (a) Sections 3(a)(4)(B)(i) through (vi);

17 (b) Section 3(a)(4)(B)(vii), so long as the depository institution is a regulated financial

18 institution as defined in § 19-1-1(10) and the offer and sale is made to a sophisticated or

1 institutional investor;

2 (c) Sections 3(a)(4)(B)(viii) through (x);

3 (d) Section 3(a)(4)(B)(xi), if limited to unsolicited transactions; or

4 (e) Section 3(a)(5)(C).

5 (2) "Depository institution" means:

6 (i) A person which is organized, chartered, or holding an authorization certificate under
7 the laws of a state or of the United States which authorizes the person to receive deposits,
8 including a savings, share, certificate, or deposit account, and which is supervised and examined
9 for the protection of depositors by an official or agency of a state or the United States;

10 (ii) A trust company or other institution that is authorized by federal or state law to
11 exercise fiduciary powers of the type a national bank is permitted to exercise under the authority
12 of the comptroller of the currency and is supervised and examined by an official or agency of a
13 state or the United States; and

14 (iii) "Depository institution" does not include an insurance company or other organization
15 primarily engaged in the insurance business, or a Morris plan bank, industrial loan company, or a
16 similar bank or company unless its deposits are insured by a federal agency.

17 (3) "Director" means the director of the department of business regulation.

18 (4) "Federal covered adviser" means a person who is:

19 (i) Registered under § 203 of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-3; or

20 (ii) Is excluded from the definition of "investment adviser" under § 202(a)(11) of the
21 Investment Advisers Act of 1940, 15 U.S.C. § 80b-2(a)(11).

22 (5) "Federal covered security" means any security that is a covered security under § 18(b)
23 of the Securities Act of 1933, 15 U.S.C. § 77r(b), or rules or regulations promulgated under that
24 section.

25 (6) "Filed" means the actual delivery of a document or application to the director or
26 designee of the director or to the principal office of the director.

27 (7) "Financial or institutional investor" means any of the following, whether acting for
28 itself or another in a fiduciary capacity:

29 (i) A depository institution;

30 (ii) An insurance company;

31 (iii) A separate account of an insurance company;

32 (iv) An investment company as defined in the Investment Company Act of 1940, 15
33 U.S.C. § 80a-1 et seq.;

34 (v) An employee pension, profit sharing or benefit plan if the plan has total assets in

1 excess of five million dollars (\$5,000,000), or if investment decisions are made by a plan
2 fiduciary, as defined in the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001
3 et seq., which is either a broker-dealer registered under the Securities Exchange Act of 1934, 15
4 U.S.C. § 78a et seq., an investment adviser registered or exempt from registration under the
5 Investment Advisers Act of 1940, 15 U.S.C. § 80b-1 et seq., a depository institution, or an
6 insurance company; and

7 (vi) Any other institutional buyer.

8 (8) "Fraud", "deceit", and "defraud" are not limited to common law fraud or deceit.

9 (9) For purposes of § 7-11-401, "guaranteed" means guaranteed as to payment of all or
10 substantially all of principal and interest or dividends.

11 (10) For purposes of § 7-11-401, "insured" means insured as to payment of all or
12 substantially all of principal and interest or dividends.

13 (11) "Investment adviser" means a person who, for compensation, engages in the
14 business of advising others, either directly or through publications or writings, as to the value of
15 securities or as to the advisability of investing in, purchasing, or selling securities, or who, for
16 compensation and as part of a regular business, issues or promulgates analyses or reports
17 concerning securities. "Investment adviser" does not include:

18 (i) An investment adviser representative;

19 (ii) A trust company or other institution described in subsection (2)(ii) of this section;

20 (iii) A lawyer, accountant, engineer, or teacher whose performance of investment
21 advisory services is solely incidental to the practice of the person's profession;

22 (iv) A broker-dealer or its agent whose performance of investment advisory services is
23 solely incidental to the conduct of business as a broker-dealer and who receives no special
24 compensation for the investment advisory services;

25 (v) A publisher of any bona fide newspaper, news column, newsletter, news magazine, or
26 business or financial publication or service, whether communicated in hard copy form, or by
27 electronic means, or otherwise, that does not consist of the rendering of advice on the basis of the
28 specific investment situation of each client;

29 (vi) A person whose advice, analyses, or reports relate only to securities exempt under §
30 7-11-401(1);

31 (vii) Any person as the director, by rule or order, designates; and

32 (viii) A person who is a federal covered adviser.

33 (12)(i) "Investment adviser representative" means any partner, officer, director of (or a
34 person occupying a similar status or performing similar functions) or other individual, except

1 clerical or ministerial personnel, who is employed by or associated with:

2 (A) An investment adviser that is registered or required to be registered under this chapter
3 and who does any of the following:

4 (I) Makes any recommendations or otherwise renders advice regarding securities to
5 clients;

6 (II) Manages accounts or portfolios of clients;

7 (III) Determines which recommendation or advice regarding securities should be given;

8 (IV) Solicits, offers, or negotiates for the sale of or sells investment advisory services;

9 (V) Supervises employees who perform any of the preceding; or

10 (B) A federal covered adviser, subject to the limitations of § 203A of the Investment
11 Advisors Act of 1940, 15 U.S.C. § 80b-3a, as the director may designate by rule or order.

12 (ii) Notwithstanding subsections (12)(i)(A) and (12)(i)(B), an investment adviser
13 representative shall not include any other persons employed by or associated with either an
14 investment adviser or a federal covered adviser not within the intent of subsection (12) that the
15 director may designate by rule or order or as otherwise specifically excluded by rule of the U.S.
16 Securities and Exchange Commission.

17 (13)(i) Except as provided in subsections (13)(ii) through (13)(iv), "issuer" means a
18 person who issues or proposes to issue a security.

19 (ii) The "issuer" of a collateral trust certificate, voting trust certificate, certificate of
20 deposit for a security, or share in an investment company without a board of directors or persons
21 performing similar functions, is a person performing the acts and assuming the duties of depositor
22 or manager pursuant to the trust or other agreement or instrument under which the security is
23 issued.

24 (iii) The "issuer" of an equipment trust certificate, including a conditional sales contract
25 or similar security serving the same purpose, is the person to whom the equipment or property is
26 or is to be leased or conditionally sold.

27 (iv) The "issuer" of a fractional undivided interest to an oil, gas, or other mineral lease or
28 in payments out of production under a lease, right, or royalty, is the owner of an interest in the
29 lease or in payments out of production under a lease, right, or royalty, whether whole or
30 fractional, who creates fractional interests for the purpose of sale.

31 (14) "Nonissuer transaction" means a transaction not directly or indirectly for the benefit
32 of the issuer.

33 (15) "Person" means a natural person, corporation, business trust, estate, trust,
34 partnership, association, joint venture, government in its private or public capacity, governmental

1 subdivision or agency, or any other legal or commercial entity.

2 (16) "Person associated with" a named party or parties or "associated person of" a named
3 party or parties means any partner, officer, director, or branch manager of the named party or
4 parties (or any person occupying a similar status or performing similar functions), any person
5 directly or indirectly controlling, controlled by, or under common control with the named party or
6 parties or any employee of the named party or parties, except that any associated person whose
7 functions are solely clerical or ministerial is not included in the meaning of the term for purposes
8 of this chapter.

9 (17) "Price amendment" means the amendment to a registration statement filed under the
10 Securities Act of 1933, 15 U.S.C. § 77a et seq., or, if no amendment is filed, the prospectus or
11 prospectus supplement filed under the Securities Act of 1933, which includes a statement of the
12 offering price, underwriting and selling discounts or commissions, amounts of proceeds,
13 conversion rates, call prices, and other matters dependent on the offering price.

14 (18) "Promoter" includes:

15 (i) A person who, acting alone or in concert with one or more other persons, takes the
16 entrepreneurial initiative in founding or organizing the business or enterprise of an issuer;

17 (ii) An officer or director owning securities of an issuer or a person who owns,
18 beneficially or of record, ten percent (10%) or more of a class of securities of the issuer if the
19 officer, director, or person acquires any of those securities in a transaction within three (3) years
20 before the filing by the issuer of a registration statement under this chapter and the transaction
21 does not possess the indicia of arms length bargaining; and

22 (iii) A member of the immediate family of a person within subsection (18)(i) or (18)(ii) if
23 the family member receives securities of the issuer from that person in a transaction within three
24 (3) years before the filing by the issuer of a registration statement under this chapter and the
25 transaction does not possess the indicia of arms length bargaining.

26 (19)(i) "Sale" or "sell" includes every contract of sale, contract to sell, or other
27 disposition, of a security or interest in a security for value.

28 (ii) "Offer to sell" includes every attempt to offer to dispose of, or solicitation of an offer
29 to purchase, a security or interest in a security for value.

30 (iii) "Offer to purchase" includes every attempt or offer to obtain, or solicitation of an
31 offer to sell, a security or interest in a security for value, but the term does not include a
32 transaction that is subject to § 14(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78n(d).

33 (iv) A security given or delivered with or as a bonus on account of a purchase of
34 securities or other item is considered to constitute part of the subject of the purchase and to have

1 been offered and sold for value.

2 (v) A gift of assessable stock is deemed to involve an offer and sale.

3 (vi) A sale or offer of a warrant or right to purchase or subscribe to another security of the
4 same or another issuer, or a sale or offer of a security that gives the holder a present or future
5 right or privilege to convert into another security of the same or another issuer, is deemed to
6 include an offer of the other security.

7 (vii) The terms defined in subsection (19) do not include:

8 (A) the creation of a security interest or a loan;

9 (B) a stock dividend, whether or not the corporation distributing the dividend is the issuer
10 of the stock, if nothing of value is given by stockholders for the dividend other than the surrender
11 of a right to a cash or property dividend and each stockholder may elect to take the dividend in
12 cash, property, or stock; or

13 (C) an act incident to a judicially approved reorganization in which a security is issued in
14 exchange for one or more outstanding securities, claims, or property interests, or partly in
15 exchange and partly for cash.

16 (20) "Sales representative" means a person, other than a broker-dealer, associated with a
17 broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

18 (21) "Securities Act of 1933", 15 U.S.C. § 77a et seq., "Securities Exchange Act of
19 1934", 15 U.S.C. § 78a et seq., "Public Utility Holding Company Act of 1935", 15 U.S.C. § 79 et
20 seq. [repealed], "Investment Company Act of 1940", 15 U.S.C. § 80a-1 et seq., "Investment
21 Advisers Act of 1940", 15 U.S.C. § 80b-1 et seq., "Employee Retirement Income Security Act of
22 1974", 29 U.S.C. § 1001 et seq., "National Housing Act", 12 U.S.C. § 1701 et seq., and
23 "Commodity Exchange Act", 7 U.S.C. § 2 et seq., mean the federal statutes of those names as
24 amended before or after July 6, 1990.

25 (22) Unless the context requires otherwise, "security" means a note; stock; treasury stock;
26 bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit
27 sharing agreement; a limited partnership interest; collateral trust certificate; variable annuity;
28 preorganization certificate or subscription; transferable share; investment contract; voting trust
29 certificate; certificate of deposit for a security; fractional undivided interest in an oil, gas, or other
30 mineral lease or in payments out of production under a lease, right, or royalty; a put, call,
31 straddle, or option entered into on a national securities exchange relating to foreign currency; a
32 put, call, straddle, or option on a security, certificate of deposit, or group or index of securities,
33 including an interest in or based on the value of any of the preceding; or, in general, an interest or
34 instrument commonly known as a "security", or a certificate of interest or participation in,

1 temporary or interim certificate for, receipt for, whole or partial guarantee of, or warrant or right
2 to subscribe to or purchase, any of the preceding. The term does not include:

3 (i) An insurance or endowment policy or annuity contract under which an insurance
4 company promises to pay a fixed sum of money either in a lump sum or periodically for life or
5 some other specified period; or

6 (ii) An interest in a contributory or noncontributory pension or welfare plan subject to the
7 Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.

8 (23) "Self-regulatory organization" means a national securities exchange registered under
9 § 7 of the Securities Exchange Act of 1934, 15 U.S.C. § 78g, a national securities association of
10 brokers and dealers registered under § 15A of the Securities Exchange Act of 1934, 15 U.S.C. §
11 78o-3, a clearing agency registered under § 17A of the Securities Exchange Act of 1934, 15
12 U.S.C. § 78q-1, or the municipal securities rulemaking board established under § 15B(b)(1) of the
13 Securities Exchange Act of 1934, 15 U.S.C. § 78o-4(b)(1).

14 (24) "State" means a state, commonwealth, territory, or possession of the United States,
15 including both the District of Columbia and the Commonwealth of Puerto Rico.

16 (25) "Virtual currency" means any type of digital representation of value that:

17 (i) Is used as a medium of exchange, unit of account or store of value; and

18 (ii) Is not recognized as legal tender by the United States government.

19 ~~(25)~~(26) "Willfully" means intentionally committing the act which constitutes a violation;
20 there being no requirement that the actor also be aware that he or she is violating any provision of
21 this chapter or any rule or order under this chapter.

22 **7-11-402. Exempt transactions.**

23 The following transactions are exempt from §§ 7-11-301 and 7-11-404:

24 (1) An isolated nonissuer transaction, whether or not effected through a broker-dealer;

25 (2) A nonissuer transaction in an outstanding security if the issuer of the security has a
26 class of securities subject to registration under § 12 of the Securities Exchange Act of 1934, 15
27 U.S.C. § 78l, and has been subject to the reporting requirements of § 13 or § 15(d) of the
28 Securities Exchange Act of 1934, 15 U.S.C. §§ 78m and 78o(d), for not less than ninety (90) days
29 before the transaction; or has filed and maintained with the director for not less than ninety (90)
30 days before the transaction information, in any form that the director, by rule, specifies,
31 substantially comparable to the information which the issuer would be required to file under §
32 12(b) or § 12(g) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78l(b) or 78l(g), were the
33 issuer to have a class of its securities registered under § 12 of the Securities Exchange Act of
34 1934 and paid a fee with the filing of three hundred dollars (\$300);

- 1 (3) A nonissuer transaction in a security:
- 2 (i) Of a class outstanding in the hands of the public for not less than ninety (90) days
- 3 before the transaction if a nationally recognized securities manual designated by the director, by
- 4 rule or order, contains the names of the issuer's officers and directors, a statement of financial
- 5 condition of the issuer as of a date within the last eighteen (18) months, and a statement of
- 6 income or operations for either the last fiscal year before that date or the most recent year of
- 7 operation; or
- 8 (ii) If the security has a fixed maturity or a fixed interest or dividend provision and there
- 9 has been no default during the current fiscal year or within the three (3) preceding years, or
- 10 during the existence of the issuer and any predecessors if less than three (3) years, in the payment
- 11 of principal, interest, or dividends on the security;
- 12 (4) A nonissuer transaction effected by or through a registered broker-dealer pursuant to
- 13 an unsolicited order or offer to purchase; but the director may by rule require that the customer
- 14 acknowledge upon a specified form that the sale was unsolicited, and that a signed copy of each
- 15 form be preserved by the broker-dealer for a specified period;
- 16 (5) A transaction between the issuer or other person on whose behalf the offering of a
- 17 security is made and an underwriter, or a transaction among underwriters;
- 18 (6) A transaction in a bond or other evidence of indebtedness secured by a real estate
- 19 mortgage, deed of trust, personal property security agreement, or by an agreement for the sale of
- 20 real estate or personal property, if the entire mortgage, deed of trust, or agreement, together with
- 21 all the bonds or other evidences of indebtedness secured by them, is offered and sold as a unit;
- 22 (7) A transaction by an executor, administrator, sheriff, marshal, receiver, trustee in
- 23 bankruptcy, guardian, or conservator;
- 24 (8) A transaction executed by a bona fide secured party without a purpose of evading this
- 25 chapter;
- 26 (9) An offer to sell or sale of a security to a financial or institutional investor or to a
- 27 broker-dealer;
- 28 (10) A transaction pursuant to an offer directed by the offeror to no more than twenty-
- 29 five (25) purchasers in this state, other than those designated in subsection (9), during any twelve
- 30 (12) consecutive months; no general solicitation or general advertising is used in connection with
- 31 the offer to sell or sale of the securities; and no commission or other similar compensation is paid
- 32 or given, directly or indirectly, to a person, other than a broker-dealer licensed or not required to
- 33 be licensed under this chapter, for soliciting a prospective purchaser in this state; and either:
- 34 (i) The seller reasonably believes that all the purchasers in this state, other than those

1 designated in subsection (9) are purchasing for investment; or

2 (ii) Immediately before and immediately after the transaction, the issuer reasonably
3 believes that the securities of the issuer are held by fifty (50) or fewer beneficial owners, other
4 than those designated in subsection (9) and the transaction is part of an aggregate offering that
5 does not exceed one million dollars (\$1,000,000) during any twelve (12) consecutive months;

6 (11) An offer to sell or sale of a preorganization certificate or subscription if no
7 commission or other similar compensation is paid or given, directly or indirectly, for soliciting a
8 prospective subscriber; no public advertising or general solicitation is used in connection with the
9 offer to sell or sale; the number of subscribers does not exceed ten (10); and no payment is made
10 by a subscriber;

11 (12) An offer to sell or sale of a preorganization certificate or subscription agreement
12 issued in connection with the organization of a depository institution if that organization is under
13 the supervision of an official or agency of any state or of the United States that has and exercises
14 the authority to regulate and supervise the organization of the depository institution. For the
15 purposes of this subsection, supervision of the organization by an official or agency means that
16 the official or agency by law has authority to require disclosures to prospective investors similar
17 to that required under § 7-11-304, impound proceeds from the sale of preorganization certificates
18 or subscription agreements until organization of the depository institution is completed, and
19 require refund to investors if the depository institution does not obtain a grant of authority from
20 the appropriate official or agency;

21 (13) A transaction pursuant to an offer to sell to existing security holders of the issuer,
22 including persons who at the time of the transaction are holders of transferable warrants
23 exercisable within not more than ninety (90) days after their issuance, convertible securities, or
24 nontransferable warrants, if:

25 (i) No commission or other similar compensation, other than a standby commission, is
26 directly or indirectly paid or given, for soliciting a security holder in this state; or

27 (ii) The issuer first files a notice specifying the terms of the offer to sell and the director
28 does not by order disallow the exemption within the next five (5) full business days;

29 (14) A transaction involving an offer to sell, but not a sale, of a security not exempt from
30 registration under the Securities Act of 1933, 15 U.S.C. § 77a et seq., if:

31 (i) A registration or offering statement or similar document as required under the
32 Securities Act of 1933, 15 U.S.C. § 77a et seq., has been filed, but is not effective;

33 (ii) A registration statement, if required, has been filed under this chapter, but is not
34 effective; and

1 (iii) No stop order of which the offeror is aware has been entered by the director or the
2 Securities and Exchange Commission, and no examination or public proceeding that may
3 culminate in that kind of order is known by the offeror to be pending;

4 (15) A transaction involving an offer to sell, but not a sale, of a security exempt from
5 registration under the Securities Act of 1933, 15 U.S.C. § 77a et seq., if:

6 (i) A registration statement has been filed under this chapter, but is not effective; and

7 (ii) No stop order of which the offeror is aware has been entered by the director and no
8 examination or public proceeding that may culminate in that kind of order is known by the offeror
9 to be pending;

10 (16) A transaction involving the distribution of the securities of an issuer to the security
11 holders of another person in connection with a merger, consolidation, exchange of securities, sale
12 of assets, or other reorganization to which the issuer, or its parent or subsidiary, and the other
13 person, or its parent or subsidiary, are parties, if:

14 (i) The securities to be distributed are registered under the Securities Act of 1933, 15
15 U.S.C. § 77a et seq., before the consummation of the transaction; or

16 (ii) The securities to be distributed are not required to be registered under the Securities
17 Act of 1933, 15 U.S.C. § 77a et seq., written notice of the transaction and a copy of the materials,
18 if any, by which approval of the transaction will be solicited is given to the director at least ten
19 (10) days before the consummation of the transaction and the director does not disallow by order
20 the exemption within the next ten (10) days;

21 (17)(i) A transaction involving the offer to sell or sale of one or more promissory notes
22 each of which is directly secured by a first lien on a single parcel of real estate, or a transaction
23 involving the offer to sell or sale of participation interests in the notes if the notes and
24 participation interests are originated by a depository institution and are offered and sold subject to
25 the following conditions:

26 (A) The minimum aggregate sales price paid by each purchaser may not be less than two
27 hundred and fifty thousand dollars (\$250,000);

28 (B) Each purchaser must pay cash either at the time of the sale or within sixty (60) days
29 after the sale; and

30 (C) Each purchaser may buy for that person's own account only;

31 (ii) A transaction involving the offer to sell or sale of one or more promissory notes
32 directly secured by a first lien on a single parcel of real estate or participation interests in the
33 notes, if the notes and participation interests are originated by a mortgagee approved by the
34 Secretary of Housing and Urban Development under §§ 203 and 211 of the National Housing

1 Act, 12 U.S.C. §§ 1709 and 1715b, and are offered or sold, subject to the conditions specified in
2 subsection (17)(i), to a depository institution or insurance company, the Federal Home Loan
3 Mortgage Corporation, the Federal National Mortgage Association, or the Government National
4 Mortgage Association; and

5 (iii) A transaction between any of the persons described in subsection (17)(ii) involving a
6 nonassignable contract to buy or sell the securities described in subsection (17)(i) which contract
7 is to be completed within two (2) years if:

8 (A) The seller of the securities pursuant to the contract is one of the parties described in
9 subsection (17)(i) or (17)(ii) who may originate securities;

10 (B) The purchaser of securities pursuant to a contract is any other person described in
11 subsection (17)(ii); and

12 (C) The conditions described in subsection (17)(i) are fulfilled; and

13 (18) Any offer or sale of securities made in reliance on the exemptions provided by Rule
14 505 or 506 of regulation D as may be amended from time to time, under the Securities Act of
15 1933, 15 U.S.C. § 77a et seq., and the provisions of the rules under that Act as amended from
16 time to time; provided:

17 (i) No commission or other remuneration may be paid or given directly or indirectly, to
18 any person for soliciting or selling to any person in this state in reliance on this exemption, except
19 to persons registered under §§ 7-11-201 -- 7-11-204;

20 (ii) Not later than ten (10) days, or a shorter period that may be permitted by order of the
21 director, prior to the first sale of securities in reliance on this exemption, there is filed with the
22 director:

23 (A) A Uniform Consent to Service of Process (Form U2);

24 (B) A notice of original filing on Form D; and

25 (C) A fee of three hundred dollars (\$300).

26 [\(19\) Buying, selling, issuing, or taking custody of payment instruments or stored value in](#)
27 [the form of virtual currency or receiving virtual currency for transmission to a location within or](#)
28 [outside the United States by any means.](#)

29 No exemption is available for the securities of any issuer if any of the parties described in
30 Securities and Exchange Commission regulation A. Rule 230.252, Section (c), (d), (e) or (f)
31 under the Securities Act of 1933 are disqualified pursuant to a rule adopted by the director.

32 SECTION 2. This act shall take effect upon passage.

=====
LC000941
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS AND PARTNERSHIPS - RHODE
ISLAND UNIFORM SECURITIES ACT - VIRTUAL CURRENCY

- 1 This act would exempt transactions involving virtual currency from the Rhode Island
- 2 Uniform Securities Act.
- 3 This act would take effect upon passage.

=====
LC000941
=====