Senate Bill 375
Senator Travis Holdman
Indiana Senate

Policy: Promoting entrepreneurship through securities exemptions.

Synopsis: This bill is comprised of the following six (6) provisions:

- Exempting from state registration intrastate offerings that are exempt under Rule 3 (a)(11) of the Securities Act of 1933
- Adding a provision to allow for internet-based equity crowd-funding for intrastate offerings.
- Exempting from state registration offerings that are exempt under R. 504, 505, and 506 of Regulation D of the Securities Act of 1933.
- Adding the definition of accredited investor by reference to the federal statute.
- Adding the Model Accredited Investor Exemption.

Supporting Data/Information:

The purpose of this bill is to codify new options for Indiana businesses to gain access to capital.

The intrastate offering exemption, with or without the use of online crowd-funding, allows business owners to raise capital from a large, diverse number of people and choosing to make small monetary investments in Indiana private companies. By recognizing and promoting crowd funding through regulated internet websites, Indiana will remain competitive with other states that already provide this innovative financing opportunity. These offerings will reflect a truly local investment opportunity; available only to Indiana residents who choose to invest in Indiana companies. Further, websites used for online crowd-funding must deposit and maintain investor funds in Banks in Indiana.

This bill also adds new exemptions that track the existing federal exemptions. It streamlines startup process to conform to Federal requirements. In other words, certain qualified issuers will no longer need to file large amounts of information with the Secretary of State’s office. Instead, if the issuer meets a federal exemption, the issuer will have a simplified, more efficient ability to comply with state law, in large part to only being required to make a notice filing. However, the state’s securities commissioner reserves the right to require additional information or documentation.

See SEA 375 https://iga.in.gov/legislative/2014/bills/senate/375/#