

Kansas Administrative Regulations

Department of Insurance Assistant Commissioner, Securities Division

Article 5.—Exemptions

81-5-3. Exemption for isolated nonissuer transactions.

(a) An "isolated nonissuer transaction" under K.S.A. 17-12a202(1), and amendments thereto, shall mean an offer or sale of a security that meets both of the following conditions:

(1) No 12-month period in which the date of the sale can be included contains more than three sales of the security in Kansas by the seller or affiliates.

(2) No person offers or sells the security by means of a general solicitation, except as permitted under subsection (c).

(b) For purposes of this regulation, a husband and wife shall be considered as one purchaser. A corporation, partnership, limited liability company, association, joint stock company, trust, or unincorporated organization shall be considered as one purchaser unless the entity was organized for the purpose of acquiring the purchased securities. If that is the case, each beneficial owner of equity interest or equity securities in the entity shall be considered a separate purchaser.

(c) For purposes of this regulation, if an offer or sale is conducted through an issuer-controlled trading system maintained in an electronic form or another form for the purpose of facilitating trades of that issuer's securities between nonissuers, the offer or sale shall not be considered to have been made by general solicitation.

(Authorized by K.S.A. 2005 Supp. 17-12a605(a); implementing K.S.A. 2005 Supp. 17-12a202, as amended by L. 2006, Ch. 47, § 2(1); effective, T-83-40, Nov. 23, 1982; effective May 1, 1983; amended, T-87-41, Dec. 8, 1986; amended May 1, 1987; amended June 28, 1993; amended May 31, 1996; amended Jan. 19, 2007.)