



**ASSEMBLY AMENDMENT 1,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 350**

September 30, 2013 – Offered by Representatives CRAIG and WEININGER.

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 **1.** Page 2, line 25: delete “if the” and substitute “if all of the following apply:”.
- 3 **2.** Page 3, line 1: delete “transaction” and substitute:
- 4 “1. The transaction”.
- 5 **3.** Page 3, line 3: after that line insert:
- 6 “2. If the offer or sale of the security had been undertaken under an exemption
- 7 specified in Rule 506 (a) to (c) adopted under the Securities Act of 1933 (17 CFR
- 8 230.506 (a) to (c)), the transaction would not have been disqualified from the
- 9 exemption under Rule 506 (d) adopted under the Securities Act of 1933 (17 CFR
- 10 230.506 (d)), except that the administrator may waive the requirement under this
- 11 subdivision and authorize transactions in reliance on the exemption under this
- 12 paragraph notwithstanding the condition specified in this subdivision.”.

1 **4.** Page 3, line 16: after that line insert:

2 “4. If the transaction had been undertaken under an exemption specified in
3 Rule 506 (a) to (c) adopted under the Securities Act of 1933 (17 CFR 230.506 (a) to
4 (c)), the transaction would not have been disqualified from the exemption under Rule
5 506 (d) adopted under the Securities Act of 1933 (17 CFR 230.506 (d)), except that
6 the administrator may waive the requirement under this subdivision and authorize
7 transactions in reliance on the exemption under this paragraph notwithstanding the
8 condition specified in this subdivision.”.

9 **5.** Page 3, line 20: after “to” insert “a”.

10 **6.** Page 4, line 8: after that line insert:

11 “(e) If the offer or sale of the security had been undertaken under an exemption
12 specified in Rule 506 (a) to (c) adopted under the Securities Act of 1933 (17 CFR
13 230.506 (a) to (c)), the transaction would not have been disqualified from the
14 exemption under Rule 506 (d) adopted under the Securities Act of 1933 (17 CFR
15 230.506 (d)), except that the administrator may waive the requirement under this
16 paragraph and authorize transactions in reliance on the exemption under this
17 subsection notwithstanding the condition specified in this paragraph.”.

18 **7.** Page 5, line 14: delete “\$5,000” and substitute “\$10,000”.

19 **8.** Page 7, line 8: delete “litigation or” and substitute “litigation,”.

20 **9.** Page 7, line 8: after “proceedings,” insert “or pending regulatory action”.

21 **10.** Page 10, line 11: after that line insert:

22 “(n) If the offer or sale of the security had been undertaken under an exemption
23 specified in Rule 506 (a) to (c) adopted under the Securities Act of 1933 (17 CFR
24 230.506 (a) to (c)), the transaction would not have been disqualified from the

1 exemption under Rule 506 (d) adopted under the Securities Act of 1933 (17 CFR
2 230.506 (d)), except that the administrator may waive the requirement under this
3 paragraph and authorize transactions in reliance on the exemption under this
4 subsection notwithstanding the condition specified in this paragraph.”.

5 **11.** Page 11, line 17: delete “\$5,000” and substitute “\$10,000”.

6 **12.** Page 13, line 3: after that line insert:

7 “(L) If the offer or sale of the security had been undertaken under an exemption
8 specified in Rule 506 (a) to (c) adopted under the Securities Act of 1933 (17 CFR
9 230.506 (a) to (c)), the transaction would not have been disqualified from the
10 exemption under Rule 506 (d) adopted under the Securities Act of 1933 (17 CFR
11 230.506 (d)), except that the administrator may waive the requirement under this
12 paragraph and authorize transactions in reliance on the exemption under this
13 subsection notwithstanding the condition specified in this paragraph.”.

14 **13.** Page 14, line 20: after that line insert:

15 “h. Neither the Internet site operator, nor any director, executive officer,
16 general partner, managing member, or other person with management authority
17 over the Internet site operator, has been subject to any conviction, order, judgment,
18 decree, or other action specified in Rule 506 (d) (1) adopted under the Securities Act
19 of 1933 (17 CFR 230.506 (d) (1)) that would disqualify an issuer under Rule 506 (d)
20 adopted under the Securities Act of 1933 (17 CFR 230.506 (d)) from claiming an
21 exemption specified in Rule 506 (a) to (c) adopted under the Securities Act of 1933
22 (17 CFR 230.506 (a) to (c)).”.

23 (END)