

**MAR 25 2021**

**INDIANA SECRETARY OF STATE  
SECURITIES DIVISION**

**INDIANA  
SECRETARY OF STATE**

**STATEMENT OF POLICY REGARDING REVIEW OF REGULATION A TIER 1  
OFFERINGS**

The Indiana Secretary of State and Securities Commissioner (“Commissioner”) have determined that it is appropriate and in the public interest to issue this Statement of Policy regarding the Indiana Secretary of State, Securities Division (“Division”) review of Regulation A Tier 1 securities offerings registered under Ind. Code 23-19-3-3. This Statement of Policy is being issued pursuant to authority granted to the Commissioner under Ind. Code 23-19-3-7.

BACKGROUND AND DISCUSSION

In an effort to facilitate capital formation and increase investor opportunities, the Securities and Exchange Commission (“SEC”) implemented the Regulation A exemption from federal registration of certain securities offerings under the Securities Act of 1933. The exemption is separated into two offering tiers: Tier 1 and Tier 2. The securities offerings under Regulation A Tier 1 (“Tier 1”) and Regulation A Tier 2 (“Tier 2”) have some unique characteristics, but overall are qualified under a similar process by the SEC. In addition to qualification through the SEC, Regulation A issuers must take certain steps in order to lawfully offer and/or sell securities in Indiana. Historically, the Commissioner conducted merit reviews of Tier 1 offerings. Alternatively, Tier 2 offerings have been required to submit a notice filing to the Division before conducting business within the state.

Indiana requires Tier 1 offerings to register under Ind. Code 23-19-3-3. Tier 1 offerings may file their offerings through the [Indiana Securities Portal](#). Additionally, Indiana participates in the North American Securities Administrators Association (“NASAA”) Coordinated Review program for multistate Tier 1 offerings. The [NASAA Coordinated Review](#) program streamlines Regulation A Tier 1 offerings across multiple states and issuers may utilize this program for Tier 1 offerings. Currently, once offering documents are received, the Division conducts a merit review of the offering. This merit review is performed in addition to the qualification process performed by the SEC. Tier 1 offerings registered under Ind. Code 23-19-3-3 become effective in Indiana simultaneously with SEC effectiveness provided that the Commissioner has not issued a stop order and the securities offering has been on file with the Commissioner for at least 20 days. Whereas Tier 1 offerings go through a merit review process by the Division, Tier 2 securities offerings are notice filed with the Division under Ind. Code 23-19-2-2(29) prior to effectiveness. A Tier 2 offering is reviewed for its completeness and is effective upon receipt by the Commissioner or qualification by the SEC, whichever is later.

Based upon the similarities between Tier 1 and Tier 2 offerings, the qualification process conducted by the SEC, and the desire for consistent treatment among Tier 1 and Tier 2 offerings, the Commissioner will no longer conduct merit reviews of Tier 1 offerings. Tier 1 offerings will be reviewed in a manner similar to the notice filing review process performed for Tier 2 offerings.

## POLICY

Ind. Code 23-19-3-7 provides that the “commissioner may waive or modify, in whole or in part, any or all requirements” of Tier 1 securities offerings registered by coordination in Indiana. In an effort to facilitate capital formation and increase investment opportunities available to Hoosier investors, the Commissioner will review Tier 1 filings for completeness and the offering will be effective simultaneous with SEC qualification or the date the offering is received by the Division, whichever is later. To submit Tier 1 offering documents, issuers may utilize NASAA’s Coordinated Review program for multistate offerings and/or submit through the Indiana Securities Portal.

The Division will review the filing to ensure that it contains the following documents and fees:

- (1) Five Hundred Dollar (\$500) fee pursuant to Ind. Code 23-19-3-5(b);
- (2) Regulation A Offering Statement [Form 1-A] along with all exhibits included in the filing with the SEC;
- (3) Uniform Application to Register Securities [Form U-1];
- (4) Uniform Consent to Service of Process [Form U-2]; and
- (5) Uniform Corporate Resolution [Form U-2A].

This Statement of Policy will provide issuers with a consistent approach between SEC qualification and Indiana review of Regulation A securities offerings and provide Hoosier investors with additional access to investment opportunities under Regulation A Tier 1.

DATED in Indianapolis, Indiana this 25th day of March, 2021.



HOLLI SULLIVAN  
SECRETARY OF STATE

ALEX GLASS  
SECURITIES COMMISSIONER