

Preliminary exemption claiming requirements. For issuers to claim the OIPO [exemption](#): (1) the offering must relate to an Oregon business in good standing; (2) the offer and sale must comply with federal Securities Act, Section 3(a)(11) or SEC Rule 147; (3) the securities must be offered only to natural person Oregon residents; (4) the issuer or third party platform must obtain Oregon residency certification from the prospective investors before advertising or soliciting the OIPO offer or providing offering documents; and (5) the issuer must have a reasonable, documented basis for believing the prospective purchasers are Oregon residents (documents proving Oregon residency may include a current Oregon driver's license, voter registration, or evidence of Oregon principal residence ownership).

Disqualifications. The exemption is prohibited for "bad actors," i.e., issuers or their affiliates subject to specified "bad boy" disqualification provisions. And OIPO-prohibited offerings include those by development stage companies without a specific business plan or by issuers indicating a plan to merge or acquire an unidentified company.

Commissions. Commissions and other remuneration are prohibited for persons soliciting or selling to prospective purchasers. Certain commissions are permitted, however, for third party platforms.

Required filing. The required notice must be sent to the Director not less than 14 days before an OIPO security is offered or sold. The notice must contain, among other things, the issuer's name and address, as well as the names and addresses of the officers', directors', principals', managing partners' and shareholders' having at least a 20 percent interest in the Oregon business. The issuer (or its duly authorized representative) must sign the notice certifying the filing's accuracy and completeness.

Internet websites. Websites used to advertise, offer and sell OIPO securities must obtain Oregon residency certification from each prospective purchaser before allowing them access to the OIPO offering information.

Oregon businesses using their own website to facilitate an OIPO offering must place the OIPO offering information on a separate webpage from the general public-accessible webpages.

Third party platform providers may post OIPO advertising materials, provided the platform: (1) is used to host not less than five OIPOs; and (2) does not solicit, sell or effect transactions on an issuer's behalf under ORS 59.015(1), or hold, possess or handle investor funds unless the provider is a registered broker-dealer. Third party platform providers may, however, allow investors to transmit their funds directly to the issuer or other specified persons, and collect documentary evidence of the investors' Oregon residency.

Disclosures. Each prospective purchaser, before being offered or sold an OIPO security, must receive a single document containing written disclosures about the offering and business owner. Additionally, prospective purchasers must sign an acknowledgment of the offering's risks.

Advertising/solicitation. Advertising materials for the offering will not constitute an "offer of securities" if: (1) the issuer sends the Director a copy of the materials at least 14 days before they

are used; (2) the materials are directed only to Oregon residents; and (3) the materials contain only certain limited information such as the issuer's name and contact information, and a brief, general description of the issuer's business. NOTE: A person whose Oregon residency cannot be certified may not view the advertising materials.

Resale limits. OIPO securities may not be resold during the nine-month period immediately after purchase, except may be resold to the issuer or in accordance with an Oregon registration order.

Reporting and records. Issuers, at least twice a year, must provide a report to all individuals having an outstanding security interest obtained through the OIPO exemption. Issuers must maintain prescribed records for Director inspection for four years from the OIPO's concluding date.

Integration. Separate OIPO security sales will be included as part of the same offering if, after considering prescribed factors, there are compelling reasons to treat the sale as part of the same offering. NOTE: Securities sales made more than six months before the OIPO offer or sale, or made six months after the OIPO's termination date will not be counted (or included) as sales made under the OIPO offering *if the issuer has not made the same or similar type sales during either six-month period other than sales made under a registered employee benefit plan.*

Definitions. A "third party platform provider" is an Internet based platform provided by a business technical service provider or other Director-authorized entity to post OIPO related information for interested persons who are certified Oregon residents. A "business technical service provider," as defined, is a Director-approved "small business development center," "economic development district," or a nonprofit incubator, accelerator or business resource provider. Other defined terms include "Director," "issuer," "offering documents" and "Oregon business."