



OHIO LEGISLATIVE SERVICE COMMISSION

Synopsis of Senate Committee Amendments*

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Sub. H.B. 10

132nd General Assembly
(S. Transportation, Commerce and Workforce)

Modifies the bill's definition of "OhioInvests Issuer" by:

- Requiring that the issuer meet all of the specified requirements, rather than just a certain federal regulation and one of the specified requirements;
- Revising the requirement of not limiting liability; and
- Expanding the activities in which an issuer may not be engaged.

Regarding the bill's exemption from the securities registration requirement for OhioInvests issuers, expands the conditions under which the exemption is not available to an issuer of securities and adds language for consistency purposes.

Changes the culpable mental state for violations by a portal operator, or by an issuer that fails to use a licensed portal operator, from "recklessly" to "knowingly."

Instead of providing a private right of action *if* the Attorney General decides (within a specified period of time) not to investigate an alleged violation of the Crowdfunding Law, as in the House-passed version, does the following:

--Permits the Division of Securities to order the payment of a specified administrative penalty for a violation (in addition to or in lieu of any other remedy provided under the Securities Law); and

--Permits a purchaser to commence an individual or putative class action to seek recovery of a specified civil penalty for an alleged violation, if certain conditions are met. Also permits the Division to intervene on behalf of the state in any such action.

Adds a prohibition against any person knowingly engaging in any act or practice that would interfere with a purchaser's ability to bring an individual or putative class action.

* This synopsis does not address amendments that may have been adopted on the Senate Floor.

Provides for a hardship exemption from the current law requirement that any financial statements required to be filed under the Securities Law be audited.

Makes conforming changes throughout the Revised Code.

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