



ORDER RELATING TO SUITABILITY REQUIREMENTS IN DIRECT PARTICIPATION PROGRAMS  
AND RESCINDING A PRIOR ORDER TO THAT EFFECT, ORDER NO. SEC-2025-01

**WHEREAS**, the North Dakota Insurance Commissioner (“Commissioner”) is charged with the administration of the North Dakota Securities Act of 1951, as amended, (hereinafter the “Act”, codified at Chapter 10-04 of the North Dakota Century Code) and the North Dakota Administrative Code regarding securities, including those found in Title 73 of the North Dakota Administrative Code; and

**WHEREAS**, Subsection 10-04-03(2) of the Act provides in part that the Commissioner may “[a]dopt, amend, and rescind such rules, forms, and orders as are necessary under this chapter . . .”; and

**WHEREAS**, Subsection 10-04-03(3) of the Act provides in part that the Commissioner “shall cooperate with the administrators of the securities laws of other states and of the United States with a view toward achieving maximum uniformity in the interpretation of like provisions of the laws administered by them and in the forms which are required to be filed under such law.”

**WHEREAS**, Section 73-02-01-02 of the North Dakota Administrative Code, in adopting certain Statements of Policy of the North American Securities Administrators Association (“NASAA”), provides in part that the Commissioner act in “cooperation with the administrators of the securities laws of other states and with a view toward achieving maximum uniformity of regulations regarding . . . the business practices of the securities industry”; and

**WHEREAS**, Section 73-02-01-02 of the North Dakota Administrative Code sets forth NASAA Statements of Policy, including the Omnibus Guidelines, adopted March 29, 1992, amended May 7, 2007, and the Statement of Policy Regarding Real Estate Investment Trusts, adopted May 7, 2007, which provide suitability standards for establishing minimum income and net worth standards for investors in direct participation program offerings, including real estate investment trusts (“REITs”); and

**WHEREAS**, on May 14, 2018, the then Securities Commissioner issued an Order Relating to Suitability Requirements in Direct Participation Programs (“2018 Order”), pursuant to Section 10-04-03(2) of the Act, that in addition to meeting the applicable suitability standards set forth in Section 73-02-01-02 of the North Dakota Administrative Code for Direct Participation Program offerings, including non-traded real

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**Jon Godfread, Commissioner**

estate investment trusts, required that a North Dakota investor must have a net worth of at least ten times his or her investment in the issuer; and

**WHEREAS**, the Commissioner finds the issuance of the 2018 Order to be inconsistent with achieving the maximum uniformity of regulations regarding the business practices of the securities industry;

**THEREFORE, IT IS HEREBY ORDERED**, pursuant to Subsections 10-04-03(2) and 10-04-03(3) of the Act and Section 73-02-01-02 of the North Dakota Administrative Code, the 2018 Order, having set suitability standards for investors in REITs requiring a prospective investor to have a net worth of ten times his or her investment in a Direct Participation Program offerings, including non-traded REITs, is rescinded and the subject matter of the 2018 Order is to be regulated as appropriate under the Act, Section 73-02-01-02 of the North Dakota Administrative Code, and other relevant provisions of the North Dakota Administrative Code.

This Order shall remain in effect until amended or rescinded by the Commissioner.

Dated this 5th day of December, 2025.



  
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