

**ORDER RELATING TO SUITABILITY REQUIREMENTS IN DIRECT PARTICIPATION PROGRAMS**

WHEREAS, the North Dakota Securities Commissioner (Commissioner) is charged with the administration of the North Dakota Securities Act of 1951, as amended, (the "Act", N.D.C.C. Chapter 10-04) and the North Dakota Administrative Rules regarding securities; and

WHEREAS, Section 10-04-03(2) of the Act provides in part that "the commissioner may from time to time make, amend, and rescind such rules, forms, and orders as are necessary under this chapter, including . . ."; and

WHEREAS, Section 73-02-01-02 of the North Dakota Administrative Code adopted certain North American Securities Administrators Association (NASAA) Statements of Policy concerning the registration of securities, including Direct Participation Program offerings, such as non-traded real estate investment trusts ("REITs") which have suitability standards establishing minimum income and net worth standards for the protection of potential investors; and

WHEREAS, the Commissioner finds that the issuance of this Order is necessary and appropriate in the public interest and for the protection of investors;

THEREFORE, IT IS HEREBY ORDERED, 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 REITs, a North Dakota investor must have a net worth of at least ten times his or her investment in the issuer.

This Order shall remain in effect until amended or rescinded by the Commissioner.

Dated at Bismarck, North Dakota, this 14<sup>th</sup> day of May, 2018.



  
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