

SECURITIES COMMISSIONER
STATE OF NORTH DAKOTA

WHEREAS, the Securities Commissioner is authorized by Section 10-04-03(2) of the North Dakota Century Code to make such orders as are necessary to define terms and to cooperate with the administrators of the securities laws of other states and of the United States for uniform statutory interpretations;

WHEREAS, "offer for sale" and "offer to sell" securities, as defined in Section 10-04-02(6) of the North Dakota Century Code, include every attempt or offer to dispose of, or solicitation of an order or offer to buy, a security or interest in a security for value;

WHEREAS, access to communications on the Internet computer system and World Wide Web and similar electronic communications systems in some instances might be available to any individuals, including North Dakota residents, who have access to the Internet system when some individuals are not intended recipients of communications to "offer" securities for sale in locations outside the state of North Dakota; and

WHEREAS, the registration of some offers to sell securities on the Internet might not be intended for North Dakota residents and need not be registered in North Dakota;

NOW, THEREFORE, it is hereby ORDERED that:

1. offers to sell securities on the Internet shall be exempt from registration in North Dakota if (a) the Internet offer indicates, directly or indirectly, that the securities are not being offered to residents of North Dakota, (b) the Internet offer is not specifically directed to any person in North Dakota by, or on behalf of, the issuer of the securities, and (c) no sales of the issuer's securities are made in North Dakota as a result of the Internet offering until such time as the securities being offered have been registered in North Dakota and a final prospectus or Form U-7 is delivered to North Dakota investors prior to such sales;
2. nothing in this Order shall preclude an issuer, or a person acting on behalf of an issuer, which offers securities on the Internet or effects sales to North Dakota residents following such an offering from relying upon any other applicable exemption pursuant to North Dakota law, nor shall this Order relieve such persons from liability for failure to register securities under North Dakota law; and
3. this Order shall remain in effect until amended or rescinded by the North Dakota Securities Commissioner.

Entered on April 17, 1996
at Bismarck, North Dakota.

Cal Hoovestol
Securities Commissioner