

**BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS**



In re:

Modifications of "IKE", the Invest Kansas
Exemption under K.A.R. 81-5-21

Docket No. 13E024

**Special Order – Authorizing Certain Modifications of Conditions
for the Invest Kansas Exemption, "IKE", Under K.A.R. 81-5-21**

WHEREAS, the Invest Kansas Exemption, "IKE", as specified by K.A.R. 81-5-21 was adopted by the Office of the Securities Commissioner of Kansas effective August 12, 2011 in order to remove certain regulatory requirements for Kansas companies to raise capital in Kansas; and

WHEREAS, staff in the Office of the Securities Commissioner of Kansas have recommended, and the Commissioner concurs, that it would be in the public interest to enhance the usefulness of IKE for Kansas businesses to raise capital without registration of community-based offerings of securities to Kansas residents by modifying certain limitations specified for IKE under K.A.R. 81-5-21; and

WHEREAS, the Commissioner and the Commissioner's staff believe that investor protection will not be adversely affected by modifications to IKE; and

WHEREAS, benefits to businesses organized under Kansas law and thereby to the Kansas economy are expected to be enhanced by such modifications to IKE; and

WHEREAS, K.S.A. 17-12a203, and amendments thereto, grants the Securities Commissioner authority by a rule adopted or order issued under the Kansas Uniform Securities Act (the Act) to exempt a security, transaction, or offer of securities from

registration requirements under K.S.A. 17-12a301 through 17-12a306, and amendments thereto; and

WHEREAS, it is deemed appropriate for this order to modify the exemption conditions specified under K.A.R. 81-5-21 for an offer of securities under that exemption as authorized by K.S.A. 17-12a203, and amendments thereto; and

WHEREAS, K.S.A. 17-12a605, and amendments thereto, grants the Securities Commissioner the authority to issue special orders as necessary or appropriate in the public interest to carry out and to be consistent with the purposes of the Act.

IT IS, THEREFORE, ORDERED BY THE COMMISSIONER that the limitation on the amount an issuer can accept from a purchaser of securities who is not an accredited investor in an IKE offering as specified by K.A.R. 81-5-21(a)(4) is hereby increased from \$1,000 to \$5,000.

IT IS FURTHER ORDERED that K.A.R. 81-5-21(b) is revised to specify as follows: "Interaction with other exemptions and offers and sales to controlling persons. This exemption shall not be used in conjunction with any other exemption under these regulations or an exemption specified by a subsection other than subsections (13) through (15) under K.S.A. 17-12a202, and amendments thereto. Sales to controlling persons shall not count toward the limitation in paragraph (a)(3)."

IT IS FURTHER ORDERED that the exemption provided by K.A.R. 81-5-21 shall not be available to an issuer unless all persons responsible for management of the operations or property of the issuer are residents of Kansas.

IT IS FURTHER ORDERED that this order shall be effective on the date indicated below and that it shall be automatically vacated upon the adoption of any future amendment to K.A.R. 81-5-21.

IT IS SO ORDERED.

Entered at Topeka, Kansas, on this 21st day of June, 2013.





Joshua A. Ney
Interim Commissioner