

#### **292.400 Exempt securities.**

KRS 292.340 to 292.390 shall not apply to any of the following:

- (1) Any security, including a revenue obligation, issued or guaranteed by the United States, any state, any political subdivision of a state, or any agency or corporate or other instrumentality of one (1) or more of the foregoing; or any certificate of deposit for any of the foregoing;
- (2) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any such province, any agency or corporate or other instrumentality of one (1) or more of the foregoing, or any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor;
- (3) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank, savings institutions, or trust company organized and supervised under the laws of any state;
- (4) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state;
- (5) Securities issued by corporations formed under KRS Chapter 279;
- (6) Any security issued or guaranteed by any federal credit union or any credit union;
- (7) Any security issued or guaranteed by any common carrier, public utility, or holding company which is:
  - (a) A registered holding company under the Public Utility Holding Company Act of 1935 or a subsidiary of such a company within the meaning of that act;
  - (b) Regulated in respect of its rates and charges by a governmental authority of the United States or any state or municipality; or
  - (c) Regulated in respect of the issuance or guarantee of the security by a governmental authority of the United States, any state, Canada, or any Canadian province;
- (8) Any security listed or approved for listing upon notice of issuance on the New York Stock Exchange, the American Stock Exchange, the Chicago Stock Exchange, the Pacific Stock Exchange, the Philadelphia Stock Exchange, the Chicago Board Options Exchange, or any other stock exchange approved by the commissioner; any other security of the same issuer which is of senior or substantially equal rank; any security called for by subscription rights or warrants so listed or approved; or any warrant or right to purchase or subscribe to any of the foregoing. This exemption is available only for securities listed on Tier I of those exchanges having more than one (1) tier;
- (9) Any security issued by any person organized and operated not for private profit but exclusively for religious, educational, benevolent, charitable, fraternal, social, athletic, or reformatory purposes, or as a chamber of commerce or trade or professional association;

- (10) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidence an obligation to pay cash within nine (9) months of the date of issuance, exclusive of days of grace, or any renewal of the paper which is likewise limited, or any guarantee of the paper or of any renewal;
- (11) Any security issued in connection with an employee stock purchase, stock option, savings, pension, profit-sharing, or similar benefit plan, including any underlying security. For those plans that do not qualify under Section 401 of the Internal Revenue Code and that provide for contribution by employees, the securities are exempt if a notice specifying the terms of the plan is filed with the commissioner before the securities are issued or before December 31, 1998, and the commissioner does not disallow the exemption within the next five (5) business days. The commissioner may, by rule, modify any requirement for a specific class of issuers or impose additional requirements for this exemption or waive any requirement;
- (12) Securities issued by corporations formed under or which have adopted the provisions of KRS 272.101 to 272.345 and patronage dividends or refunds be they in the form of stock, book equities, letters of credit, or letters of advice issued by any agricultural cooperative association which are the result of distributable earnings or savings;
- (13) Memberships and voting stock issued by cooperative corporations formed under or which have adopted the provisions of KRS 272.020 to 272.044, and patronage refunds issued by cooperative corporations which are the result of distributable earnings or savings;
- (14) Any security for which the commissioner expressly by rule or order finds that registration is not necessary or appropriate in the public interest or for the protection of investors;
- (15) Any security issued by and representing an interest in or a debt of, or guaranteed by, any insurance company organized under the laws of any state and authorized to do business in this state; or
- (16) A patron member's interest issued by a limited cooperative association and all patronage refunds issued thereby.

**Effective:** July 12, 2012

**History:** Amended 2012 Ky. Acts ch. 160, sec. 124, effective July 12, 2012. -- Amended 2010 Ky. Acts ch. 24, sec. 868, effective July 15, 2010; and ch. 151, sec. 140, effective January 1, 2011. -- Amended 1998 Ky. Acts ch. 20, sec. 12, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 165, sec. 11, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 158, sec. 1, effective July 14, 1992. -- Amended 1986 Ky. Acts ch. 393, sec. 7, effective July 15, 1986. -- Amended 1982 Ky. Acts ch. 346, sec. 6, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 368, sec. 4, effective July 15, 1980. -- Amended 1976 Ky. Acts ch. 12, sec. 3, effective March 1, 1976. -- Amended 1972 Ky. Acts ch. 265, sec. 10; and ch. 274, sec. 158. -- Amended 1966 Ky. Acts ch. 51, sec. 2. -- Created 1960 Ky. Acts ch. 110, sec. 10, effective January 1, 1961.