WEST VIRGINIA CODE: §32-5-503

§32-5-503. Qualifications of issuer and purchaser.

(a) In order to qualify for exemption under this article, the issuer must be a for-profit entity organized under the laws of West Virginia with its principal place of business in West Virginia.

(b) In order to qualify for the exemption under this article, the purchaser must be a resident of West Virginia or be an entity organized under the laws of West Virginia with its principal place of business in West Virginia.

(c) The exemption is not available to any of the following:

(1) An investment company, as defined in the Federal Investment Company Act of 1940;

(2) A development stage company that either has no specific business plan or purpose or has indicated that the company's business plan is to engage in a merger or acquisition with an unidentified company or companies, or entity or person or without an allocation of proceeds for sufficiently identifiable properties or objectives; and

(3) Any person who is subject to a disqualifying event described in subsection (d) of this section.

(d) The exemption is not available if the issuer or the executive directors, directors or managers of the issuer or any individual or entity holding more than twenty percent of the outstanding equity of the issuer:

(1) Within the last five years, has filed a registration statement which is the subject of a currently effective registration stop order or cease and desist order entered by any state securities administrator or the United States Securities and Exchange Commission;

(2) Within the last five years, has been convicted of any criminal offense in connection with the offer, purchase or sale of any security, or involved fraud or deceit;

(3) Is currently subject to any state or federal administrative enforcement order or judgment, entered within the last five years, finding fraud or deceit in connection with the purchase or sale of any security; or

(4) Is currently subject to any order, judgment, or decree of any court of competent jurisdiction, entered within the last five years, temporarily, preliminarily, or permanently restraining or enjoining such party from engaging in or continuing to engage in any conduct or practice involving fraud or deceit in connection with the purchase or sale of any security.

WV Legislature