

2876.3051 ESCROW AND IMPOUNDMENT.

A MNvest issuer must comply with the escrow requirements found in Minnesota Statutes, section 80A.461, subdivision 3, clause (8). The escrow and impoundment of funds is subject to the following:

A. All funds from purchasers of a MNvest offering must be deposited in the depository impound account controlled by the escrow agent within three business days after receipt by the MNvest issuer.

B. All purchaser funds must remain in escrow until the earliest of the following:

(1) the total amount deposited with the escrow agent reaches at least the minimum offering amount set by the MNvest issuer;

(2) twelve months have expired from the effective date of the MNvest offering without the minimum offering amount having been deposited with the escrow agent; or

(3) the MNvest offering reaches the stipulated expiration date set by the MNvest issuer pursuant to Minnesota Statutes, section 80A.461, subdivision 4, clause (2), without the minimum offering amount having been deposited with the escrow agent.

C. If the MNvest issuer does not raise the minimum offering amount by the earlier of 12 months from the effective date of the MNvest offering or the stipulated expiration date, the MNvest issuer must immediately notify the escrow agent that funds received from each purchaser and held in escrow for the MNvest offering must be refunded in full to the purchasers.

D. When the minimum offering amount for a MNvest offering is deposited with the escrow agent, the MNvest issuer must issue securities to purchasers of the MNvest offering within five days of the MNvest issuer's receipt of funds released from escrow for the MNvest offering.

Statutory Authority: *MS s 45.023; 80A.82*

History: *40 SR 1617*

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