

BEFORE THE  
MARYLAND SECURITIES COMMISSIONER

IN THE MATTER OF:

USE OF ELECTRONIC  
OFFERING DOCUMENTS  
AND ELECTRONIC  
SIGNATURES BY ISSUERS  
OR THEIR AGENTS

July 28, 2017

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ORDER

WHEREAS, on May 8, 2017, the North American Securities Administrators Association (“NASAA”) adopted the Statement of Policy Regarding Use of Electronic Offering Documents and Electronic Signatures (“Statement of Policy”), a copy of which is attached to this Order as Exhibit A, to assist issuers and their agents in streamlining and updating the manner in which they allow investors or prospective investors to invest in companies; and

WHEREAS, the Statement of Policy allows an issuer or agent acting on behalf of the issuer (collectively, “issuer”) to deliver offering documents and subscription agreements over the internet or by other electronic means, or in machine-readable format; and

WHEREAS, the Statement of Policy also allows an issuer or agent acting on behalf of the issuer to use electronic signatures in connection with the issuer’s sale of securities; and

WHEREAS, the Statement of Policy requires an issuer to employ certain practices and safeguards designed to protect investors and their information, while facilitating electronic delivery and signatures; and

WHEREAS, the Statement of Policy’s practices regarding electronic offering documents

address, *inter alia*: the preparation, format, delivery method, storage and accessibility of the electronic document; investor consent to, notice of, timing for receipt, and proof of delivery of electronic documents; subscription agreement processing; security breaches; cost allocation methodology; and, third party oversight; and

WHEREAS, the Statement of Policy's practices regarding electronic signatures address, *inter alia*: compliance with federal and state electronic signature statutes; signature security, authentication, and retention; authorization and revocation of electronic signature use; and, third party oversight; and WHEREAS, in accordance with the Statement of Policy, an issuer participating in an electronic offering documents or electronic signature initiative must institute and implement written policies and procedures covering the initiative(s); and

WHEREAS, an investor, in the manner set forth in the Statement of Policy, may revoke consent at any time to use of electronic offering documents or an electronic signature; and

WHEREAS, the Maryland Securities Commissioner (the "Commissioner") has determined that it is appropriate for Maryland to adopt the Statement of Policy to allow an issuer and an agent acting on behalf of the issuer to use electronic offering documents and/or electronic signatures, as provided under the Statement of Policy; and

WHEREAS, the Commissioner has determined that adoption of the Statement of Policy as set forth in this Order is consistent with the public interest and within the purposes fairly intended by the policy and provisions of the Maryland Securities Act, Corporations & Associations Article, Title 11, Annotated Code of Maryland (2014 Repl. Vol. & 2016 Supp.) (the "Maryland Securities Act").

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to the authority granted by sections 11-203 and 11-501 of the Maryland Securities Act, that:

1. An issuer or an agent acting on behalf of the issuer may use an electronic process for delivering offering documents, including subscription agreements, and may use electronic signatures, provided the issuer complies with the requirements and safeguards set forth in this Order and in the Statement of Policy; and
2. The Statement of Policy in its entirety is incorporated by reference into this Order.

DATE OF THIS ORDER:

July 28, 2017

SO ORDERED:

**Commissioner's Signature on File  
w/Original Documents**

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Melanie Senter Lubin  
Securities Commissioner