

Rules of
Elected Officials
Division 30—Secretary of State
Chapter 53—Sales and Advertising Literature

Title	Page
15 CSR 30-53.010 Promotional Materials to be Filed, Permitted Without Filing and Prohibited.....	3



Title 15—ELECTED OFFICIALS
Division 30—Secretary of State
Chapter 53—Sales and Advertising Literature

15 CSR 30-53.010 Promotional Materials to be Filed, Permitted Without Filing and Prohibited

PURPOSE: This rule prescribes the requirements for filing sales and advertising literature of the public offering of securities, and the types of advertising that are permitted and those that are prohibited.

(1) Any advertisement, display, pamphlet, brochure, letter, article or communication published in any newspaper, magazine or periodical, or script of any recording, radio or television announcement, broadcast or commercial to be used or circulated in connection with the sale and promotion of a public offering of securities will be subject to the following requirements and restrictions:

(A) All sales and advertising literature and promotional material, other than that exempted by the Missouri Uniform Securities Act (the Act) (section 409.403) and this rule, shall be governed by the following:

1. The applicant shall file with the commissioner, at least five (5) days before its intended dissemination, one (1) copy of each item of literature or material;

2. If not disallowed by the commissioner by written notice or otherwise within three (3) business days from the date filed, the literature or material may be disseminated;

3. No formal approval of the literature or material shall be issued by the commissioner; and

4. The disseminator of the literature or material shall be responsible for the accuracy and reliability of the literature and material, and its conformance with the Act and this rule;

(B) The following devices or sales presentation, and the use thereof, will be deemed deceptive or misleading practices:

1. Comparison charts or graphs showing a distorted, unfair or unrealistic relationship between the issuer's past performance, progress or success and that of another company, business, industry or investment media;

2. Lay-out, format, size, kind and color of type used so as to attract attention to favorable or incomplete portions of the advertising matter, or to minimize less favorable, modified or modifying portions necessary to make the entire advertisement a fair and truthful representation;

3. Statements or representations which predict future profit, success, appreciation,

performance or otherwise relate to the merit or potential of the securities unless the statements or representations clearly indicate that they represent solely the opinion of the publisher thereof;

4. Generalizations, generalized conclusions, opinions, representations and general statements based upon a particular set of facts and circumstances unless those facts and circumstances are stated and modified or explained by additional facts or circumstances as are necessary to make the entire advertisement a full, fair and truthful representation;

5. Sales kits or film clips, displays or exposures, which, alone or by sequence and progressive compilation, tend to present an accumulative or composite picture or impression of certain, or exaggerated potential, profit, safety, return or assured or extraordinary investment opportunity or similar benefit to the prospective purchaser;

6. Distribution of any nonfactual or inaccurate data or material by words, pictures, charts, graphs or otherwise, based on conjectural, unfounded, extravagant or flamboyant claims, assertions, predictions or excessive optimism; and

7. Any package or bonus deal, prize, gift, gimmick or similar inducement, combined with or dependent upon the sale of some other product, contract or service, unless that unit or combination has been fully disclosed and specifically described and identified in the application as the security being offered; and

(C) All sales and advertising literature and promotional material other than that described in subsection (3)(A) of this rule and including that intended for broker-dealer and internal use only shall be submitted to the commissioner for comment upon request. Literature and material containing representations inconsistent with the offering document and that employing deceptive and misleading practices as described in subsection (1)(B) of this rule shall be prohibited.

(2) No sales or advertising literature or promotional material containing any ranking or rating of offering terms or prospective program performance shall be disseminated unless specifically permitted by the commissioner by written notice or otherwise.

(3) The following forms and types of advertising are permitted without the necessity for filing or prior authorization by the commissioner, unless specifically prohibited:

(A) So-called tombstone advertising, containing no more than the following information:

1. Name and address of issuer;
2. Identity or title of security;
3. Per unit offering price, number of shares and amount of offering;
4. Brief, general description of business;
5. Name and address of underwriter, or address where offering circular or prospectus can be obtained; and
6. Date of issuance;

(B) Dividend notices, proxy statements and reports to shareholders, including investment company quarterly and semi-annual reports;

(C) Unless requested by the commissioner pursuant to subsection (1)(C) of this rule, sales literature, advertising or market letters prepared in conformity with the applicable regulations and in compliance with the filing requirements of the Securities and Exchange Commission (SEC), the National Association of Securities Dealers (NASD) or an approved securities exchange;

(D) Factual or informative letters, bulletins or releases, similar to newsletters, relating to issuer's progress or activities, status of the offering or current financial condition; and

(E) Dissemination of any data incorporated in the offering circular or prospectus, so long as the use of that material, out of context, does not tend to detract from, distort, supersede or express a different meaning of the representations or disclosures contained in this rule.

(4) Any person who prepares, distributes or causes to be issued or published any sales literature which is knowingly inaccurate, false, misleading or tending to mislead in any material respect or otherwise in violation of the provisions in this rule may be held responsible and accountable therefor in any administrative or civil proceeding arising under the Act or these rules.

*AUTHORITY: sections 409.101, 409.302(b)(5), 409.303(b), 409.304(b), 409.403 and 409.413(a), RSMo 1986. * Original rule filed June 25, 1968, effective Aug. 1, 1968. Amended: Filed May 21, 1969, effective Aug. 1, 1969. Amended: Filed Oct. 9, 1970, effective Oct. 19, 1970. Amended: Filed July 21, 1972, effective Aug. 1, 1972. Amended: Filed March 21, 1974, effective April 1, 1974. Amended: Filed Nov. 15, 1974, effective Nov. 25, 1974. Amended: Filed March 27, 1989, effective June 12, 1989. Amended: Filed July 30, 1992, effective April 8, 1993.*

**Original authority: 409.101, RSMo 1967; 409.302, RSMo 1967; 409.303, RSMo 1967; 409.304, RSMo 1967; 409.403, RSMo 1967; and 409.413, RSMo 1967.*