Blue Sky Jurisdictional Compare Smart Chart -
Merger and Acquisition Broker-Dealer Exemptions and Exemptive Relief

This topic tracks each state's treatment of “merger and acquisition” broker-dealers.
Research as of January 1, 2025. Changes after 1/1/2025 are highlighted.

Note: many states have generally applicable exemptions, subject to varying conditions, from state broker-dealer registration in securities transactions involving “institutional investors” or “institutional buyers” as those terms are defined. Definitions and conditions vary widely state-to-state.

Jurisdiction	Merger/Acquisition Broker-Dealer Exemption
Alabama	No provisions on this topic
Alaska	**Alaska Stat. (“Alaska Securities Act”), art. 2, § 45.56.320[¶8177].**Registration exemption for merger and acquisition broker. (a) Except as provided in (b) and (c) of this section, a merger and acquisition broker is exempt from registration under AS 45.56.300. (b) A merger and acquisition broker is not exempt from registration under AS 45.56.300 if the broker...
Arizona	No provisions on this topic
Arkansas	**“Arkansas Securities Commissioner’s Rules,” ch. 3 Rule 301, r. 301.01 (f) [¶10,421]. Merger acquisition broker exemption from registration (licensing).** A merger and acquisition broker is exempt from broker-dealer registration in Arkansas unless the broker: (1) directly or indirectly receives, holds, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an eligible privately held company's transfer of ownership; (2) engages on an issuer's behalf in a public offering of any SEC registered or to-be-registered class of securities under the Exchange Act, Section 12, or if the issuer files Exchange Act, Section 15(d) required reports; or (3) engages on any party's behalf in a public shell company transaction. A merger and acquisition broker is also not exempt from broker-dealer registration if the broker is subject to: (1) Exchange Act, Section 15(b)(4) registration-suspension or -revocation provisions; (2) an Exchange Act, Section 3(a)(39) statutory disqualification; (3) an SEC rule disqualification under Dodd-Frank Act Section 926; or (4) an Exchange Act, Section 15(b), paragraph (4)(H) final order. A "merger and acquisition broker" is a broker and a broker-associated person whose business pertains to effecting securities transactions solely in connection with an eligible privately held company's ownership transfer whether or not the broker acts for the buyer or seller through the purchase, sale, exchange, issuance, repurchase or redemption of, or a business combination involving the eligible privately held company's securities or assets, provided: (1) the merger and acquisition broker reasonably believes that upon the transaction's consummation, all persons acquiring the privately held company's securities or assets (acting alone or together) will control and actively manage the company or the business conducted with the company's assets; and (2) a person offered securities in exchange for the eligible privately held company's securities or assets, before becoming legally bound to consummate the transaction, receives or has reasonable access to the issuer's most recent fiscal year-end financial statements about the securities, and the financial statements are customarily prepared by the issuer's management in the normal course of operations. An independent accountant's statement, a balance sheet dated not more than 120 days before the exchange offer date, and information about the issuer's management, business, operation results for the financial statement-covered period and any issuer material loss contingencies must accompany the financial statements if they are audited, reviewed or compiled. Other terms defined include "control," "eligible privately held company," and "public shell company." The Administrator is authorized to exempt any person or class of persons from Oklahoma Uniform Securities Act provisions. The dollar amount specified in the "eligible privately held company" definition will be adjusted in a prescribed manner every five years after this rule's effective date. **“Arkansas Securities Commissioner’s Rules,” ch. 5 Rule 504, r. 504.01 [¶10,480]. Discretionary exemptions: 100 percent sale of a business's securities.** A discretionary exemption may be relied on for transactions in accordance with a 100 percent sale of a business entity’s securities, so long as: (a) there are no more than seven purchasers; (b) each person buys with investment intent and any certificates issued bear an appropriate restrictive legend; (c) each person has access

Jurisdiction	Merger/Acquisition Broker-Dealer Exemption
	to information concerning the issuer; and (d) no commission (or other remuneration) is directly or indirectly paid to any person for soliciting a prospective purchaser, other than to a merger and acquisition broker as a solicitor that meets Arkansas Merger Acquisition Rule 302.01(f) conditions.
California	**Cal. Code Regs. ("California Code of Regulations"), tit. 10, ch. 3, subch. 2, art. 8, r. 260.204.5 [¶12,167]. Merger and acquisition specialists.** An exemption from the provisions of Section 25210 of the Code is hereby granted, as being necessary and appropriate in the public interest and for the protection of investors, to any person who effects transactions in securities in California only in connection with mergers, consolidations or purchases of corporate assets, and who does not receive, transmit, or hold for customers any funds or securities in connection with these transactions. **Cal. Code Regs. ("California Code of Regulations"), tit. 10, ch. 3, subch. 2, art. 8, r. 260.204.1 [¶12,163]. Real estate brokers effecting transactions in securities.** An exemption from the provisions of Section 25210 of the Code is hereby granted, as being necessary and appropriate in the public interest and for the protection of investors, to any person who is a real estate broker as defined in Section 10131 of the Business and Professions Code, duly licensed to engage in the business of a real estate broker in California, and whose business as a broker-dealer, in addition to any transactions within Section 25206 of the Code, is limited to any or all of the following: (a) Transactions involving all of the outstanding securities of an existing business if the transactions have been negotiated as transactions for the purchase or sale of real estate or substantially all of the assets of the existing business, or both, but excluding those transactions involving a merger, consolidation, or other reorganization; or * * *
Colorado	**Colo. Code Regs. ("Rules of the Colorado Securities Division"), ch. 3, § 51-3.33 [¶13,430X]. Merger/acquisition broker exemption.** A merger and acquisition broker is exempt from registration in connection with Colorado's statutory merger exemption. The exemption does not apply, however, if: (1) The broker directly or indirectly holds, receives, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an ownership transfer of an eligible privately held company; (2) The broker, on the issuer's behalf, engages in a public offering of any class of securities registered or required to register with the SEC under the Exchange Act Section 12, or if the issuer files, or is required to file, periodic information, documents and reports under Exchange Act, Section 15(d); (3) The broker, on any party's behalf, effects a public shell company transaction; or (4) The broker is subject to specified federal "bad boy" disqualification provisions. *Definitions.* A "merger and acquisition broker" is a broker (and any person associated with a broker) that engages solely in the business of effecting securities transactions involving the transfer of ownership of an eligible privately held company through the purchase, sale, exchange, issuance or repurchase or redemption of, or a business combination involving, securities or assets of the eligible privately held company. The definition applies whether or not the broker acts on behalf of a seller or buyer. Additionally, the broker must reasonably believe that upon consummating the transaction, any person acquiring the eligible privately held company's securities, whether acting alone or with others, will control and, directly or indirectly, actively manage the eligible privately held company or the business conducted with the eligible privately held company's assets. Also, any person offered securities in exchange for the eligible privately held company's securities or assets must, before becoming legally bound to consummate the transaction, receive (or have reasonable access to): (1) the issuer's most recent fiscal year-end financial statements as customarily prepared by its management in the normal course of operations, as well as any related statement by the independent accountant if the financial statements are audited, reviewed or compiled; (2) a balance sheet dated not more than 120 days before the date of the exchange offer; and (3) information pertaining to the management, business, operation results for the period covered by the above financial statements, and any of the issuer's material loss contingencies. Other defined terms include "control," "eligible privately held company," "inflation adjustment," and"public shell company."
Connecticut	No provisions on this topic
Delaware	No provisions on this topic
District of Columbia	No provisions on this topic

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Florida	**Fla. Stat. ("Florida Securities and Investor Protection Act"), § 517.12 [¶17,111]. Mergers and acquisitions broker exemption.** A merger and acquisition broker is exempt from registration in connection with Florida's statutory exemption for offerings to security holders incident to a vote by them on a merger, consolidation, reclassification or transfer of assets in exchange for securities of the same or another person [See Merger Exclusion/Exemption topic]. The exemption does not apply, however, if: (1) The broker directly or indirectly holds, receives, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an ownership transfer of an eligible privately held company; (2) The broker, on the issuer's behalf, engages in a public offering of any class of securities registered or required to register with the SEC under the Exchange Act, or if the issuer files, or is required to file, periodic information, documents and reports under the Exchange Act; (3) The broker, on any party's behalf, effects a public shell company transaction; or (4) The broker is subject to specified federal "bad boy" disqualification provisions. Before completing a merger/acquisition transaction, a merger and acquisition broker must receive written assurances from the control person with the largest percentage of ownership for both the buyer and seller engaged in the transaction that: 1. After the transaction is completed, any person who acquires securities or assets of the eligible privately held company, acting alone or in concert, will be a control person of the eligible privately held company or will be a control person for the business conducted with the assets of the eligible privately held company; and 2. If any person is offered securities in exchange for securities or assets of the eligible privately held company, that person will, before becoming legally bound to complete the transaction, receive or be given reasonable access to the issuer's most recent year-end financial statements pertaining to the securities offered in exchange. The most recent year-end financial statements must be customarily prepared by the issuer's management in the normal course of operations. If the financial statements of the issuer are audited, reviewed, or compiled, the most recent year-end financial statements must include any related statement by the independent certified public accountant; a balance sheet dated not more than 120 days before the date of the exchange offer; and information pertaining to the management, business, results of operations for the period covered by the foregoing financial statements, and the issuer's material loss contingencies. **Definitions.** A "merger and acquisition broker" is a broker (and any person associated with a broker) that is engaged solely in the business of effecting securities transactions involving the transfer of ownership of an eligible privately held company through the purchase, sale, exchange, issuance or repurchase or redemption of, or a business combination involving, securities or assets of the eligible privately held company. The definition applies regardless of whether the broker acts on behalf of a seller or buyer. Other defined terms include "control person," "eligible privately held company," and "public shell company."
Georgia	**No-action letter from 2015 [¶18,548].** The Georgia Securities Division will grant a merger and acquisition broker (M&A broker) a registration exemption, provided the M&A broker and the M&A transaction comply with the ten conditions/representations set forth in the 2014-released SEC no-action letter on M&A brokers. Additionally, the M&A broker must take reasonable steps to ensure that: (1) any person acquiring securities or assets in an eligible transaction receive and or have reasonable access to the issuer's financial statements for the securities offered in the M&A transaction; and (2) those persons subject to federal Regulation D, Rule 506(d), i.e., "bad actors" do not participate in the M&A transaction.
Guam	No provisions on this topic
Hawaii	No provisions on this topic
Idaho	No provisions on this topic

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Illinois	**Ill. Admin. Code, tit. 14, subtit. A, ch. 1, pt. 130, Subpt. H, § 130.830 [¶22,684C].** **Mergers and acquisitions broker exemption.** A merger and acquisition broker is exempt from registration in connection with Illinois' statutory exemption for offerings to security holders incident to a vote by them on a merger, consolidation, reclassification or transfer of assets in exchange for securities of the same or another person [See Merger Exclusion/Exemption topic]. The exemption does not apply, however, if: (1) The broker directly or indirectly holds, receives, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an ownership transfer of an eligible privately held company; (2) The broker, on the issuer's behalf, engages in a public offering of any class of securities registered or required to register with the SEC under the Exchange Act, Section 12, or if the issuer files, or is required to file, periodic information, documents and reports under the Exchange Act, Section 15(d); (3) The broker, on any party's behalf, effects a public shell company transaction; or (4) The broker is subject to specified federal "bad boy" disqualification provisions. **Definitions.** A "merger and acquisition broker" is a broker (and any person associated with a broker) that is engaged solely in the business of effecting securities transactions involving the transfer of ownership of an eligible privately held company through the purchase, sale, exchange, issuance or repurchase or redemption of, or a business combination involving, securities or assets of the eligible privately held company. The definition applies whether or the broker acts on behalf of a seller or buyer. Additionally, the broker must reasonably believe that, on consummating the transaction, any person acquiring the eligible privately held company's securities, whether acting alone or with others, will control and, directly or indirectly, actively manage the eligible privately held company or the business conducted with the eligible privately held company's assets. Also, any person offered securities in exchange for the eligible privately held company's securities or assets must, before becoming legally bound to consummate the transaction, receive (or have reasonable access to): (1) the issuer's most recent fiscal year-end financial statements as customarily prepared by its management in the normal course of operations, as well as any related statement by the independent accountant if the financial statements are audited, reviewed or compiled; (2) a balance sheet dated not more than 120 days before the date of the exchange offer; and (3) information pertaining to the management, business, operation results for the period covered by the above financial statements, and any of the issuer's material loss contingencies. Other defined terms include "control," "eligible privately held company," and "public shell company."
Indiana	**Administrative Order from 2025 [¶24,739].** **Merger-acquisition broker exemption.** The Indiana Securities Division, by administrative order, has adopted NASAA's Model Rule on the broker-dealer merger acquisition exemption. The Division will not take enforcement action against an unregistered merger/acquisition broker-dealer or agent in Indiana, provided: (a) the broker-dealer/agent does not engage in certain specified Exchange Act Section 15(b)(13) excluded activities; (b) otherwise complies with Section 15(b)(13); and (c) complies with the Indiana Securities Act and corresponding rules. The nine excluded activities are: 1. Directly or indirectly receives, holds, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with the transfer of ownership of an eligible privately held company; 2. Engages on the issuer's behalf in a public offering of any securities class that is registered or required to register with the SEC under Exchange Act Section 12 or pertaining to periodic information, documents or reports under Exchange Act Section (d) that the issuer files or is required to file;

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	3. Engages on any party's behalf in a shell company transaction, other than a business combination-related shell company; 4. Provides financing for the ownership transfer of an eligible privately held company, either directly or indirectly through any of its affiliates; 5. Assists any party to obtain financing from an unaffiliated third party without: (i) complying with all of the applicable laws in connection with the assistance including, if applicable, Regulation T; and (ii) disclosing any compensation in writing to the party; 6. Represents both the buyer and the seller in the same transaction without providing clear written disclosure about the parties the broker represents and obtaining written consent from both parties in the joint representation; 7. Facilitates a transaction with a group of buyers formed with the assistance of the broker-dealer engaging in the M&A activities to acquire the eligible privately held company; 8. Engages in a transaction involving the transfer of ownership of an eligible privately held company to a passive buyer or group of passive buyers; and 9. Binds a party to a transfer of ownership of eligible privately held company.
Iowa	**Iowa Admin. Code ("Rules of Iowa Insurance Division—Securities Bureau"), ch. 50, Div. II, § 191-50.10 (502) [¶25,410]. Mergers and acquisitions broker exemption.** A merger and acquisition broker is exempt from broker-dealer registration in Iowa unless the broker: (1) directly or indirectly receives, holds, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an eligible privately held company's transfer of ownership; (2) engages on an issuer's behalf in a public offering of any SEC registered or to-be-registered class of securities under the Exchange Act, Section 12, or if the issuer files Exchange Act, Section 15(d) required reports; or (3) engages on any party's behalf in a public shell company transaction. A merger and acquisition broker is also not exempt from broker-dealer registration if the broker is subject to: (1) Exchange Act, Section 15(b) registration-suspension or -revocation provisions; (2) an Exchange Act, Section 3(a)(39) statutory disqualification; (3) an SEC Regulation D, Rule 506(d) disqualification; or (4) an Exchange Act, Section 15(b), paragraph (4)(H) final order. A "merger and acquisition broker" is a broker and a broker-associated person whose business pertains to effecting securities transactions solely in connection with an eligible privately held company's ownership transfer whether or not the broker acts for the buyer or seller through the purchase, sale, exchange, issuance, repurchase or redemption of, or a business combination involving the eligible privately held company's securities or assets, provided: (1) the merger and acquisition broker reasonably believes that upon the transaction's consummation, all persons acquiring the privately held company's securities or assets (acting alone or together) will control and actively manage the company or the business conducted with the company's assets; and (2) a person offered securities in exchange for the eligible privately held company's securities or assets, before becoming legally bound to consummate the transaction, receives or has reasonable access to the issuer's most recent fiscal year-end financial statements about the securities, and the financial statements are customarily prepared by the issuer's management in the normal course of operations. An independent accountant's statement, a balance sheet dated not more than 120 days before the exchange offer date, and information about the issuer's management, business, operation results for the financial statement-covered period and any issuer material loss contingencies must accompany the financial statements if they are audited, reviewed or compiled. Other terms defined include "control," "eligible privately held company," and "public shell company." The Administrator is authorized to exempt any person or class of persons from Iowa Uniform Securities Act provisions. The dollar amount specified in the "eligible privately held company" definition will be adjusted in a prescribed manner every five years after this rule's effective date.
Kansas	No provisions on this topic
Kentucky	No provisions on this topic
Louisiana	No provisions on this topic

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Maine	No provisions on this topic
Maryland	**Administrative Order from 12/7/2017 [¶30,667].** **Merger and acquisition broker-dealer exemption.** The Maryland Securities Commissioner grants a broker-dealer registration exemption for a person acting on a company's behalf to effect a merger and/or acquisition. To claim the exemption, the person must serve as an intermediary in privately-held company sales to purchasers that intend to operate those companies, to effect securities transactions in connection with the ownership transfer of the private companies. The person may rely on a January 31, 2014 SEC no-action letter to achieve the Maryland exemption, by performing only the activities set forth in the no-action letter. *Please find a link to the SEC no-action letter in the comment column.*
Massachusetts	No provisions on this topic
Michigan	**Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities and Commercial Licensing Bureau, Securities, Part 1, R 451.4.2 [¶32,414].** ***Merger acquisition broker exemption.*** A merger and acquisition broker is exempt from broker-dealer registration unless the broker: (1) directly or indirectly receives, holds, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an eligible privately held company's transfer of ownership; (2) engages on an issuer's behalf in a public offering of any SEC registered or to-be-registered class of securities under Exchange Act, Section 12, or if the issuer files Exchange Act, Section 15(d) required reports; or (3) engages on any party's behalf in a public shell company transaction. A merger and acquisition broker is also not exempt from broker-dealer registration if the broker is subject to: (1) Exchange Act, Section 15(b) registration-suspension or -revocation provisions; (2) an Exchange Act, Section 3(a)(39) statutory disqualification; (3) an SEC Regulation D, Rule 506(d) disqualification; or (4) an Exchange Act, Section 15(b), paragraph (4)(H) final order. A "merger and acquisition broker" is a broker and a broker-associated person whose business pertains to effecting securities transactions solely in connection with an eligible privately held company's ownership transfer whether or not the broker acts for the buyer or seller through the purchase, sale, exchange, issuance, repurchase or redemption of, or a business combination involving the eligible privately held company's securities or assets, provided: (1) the merger and acquisition broker reasonably believes that upon the transaction's consummation, all persons acquiring the privately held company's securities or assets (acting alone or together) will control and actively manage the company or the business conducted with the company's assets; and (2) a person offered securities in exchange for the eligible privately held company's securities or assets, before becoming legally bound to consummate the transaction, receives or has reasonable access to the issuer's most recent fiscal year-end financial statements about the securities, and the financial statements are customarily prepared by the issuer's management in the normal course of operations. An independent accountant's statement, a balance sheet dated not more than 120 days before the exchange offer date, and information about the issuer's management, business, operation results for the financial statement-covered period and any issuer material loss contingencies must accompany the financial statements if they are audited, reviewed or compiled. Other terms defined include "control," "eligible privately held company," and "public shell company." The Administrator is authorized to exempt any person or class of persons from Michigan Uniform Securities Act provisions. The dollar amount specified in the"eligible privately held company" definition can be adjusted in a prescribed manner every five years after this rule's effective date.
Minnesota	No provisions on this topic
Mississippi	**"Mississippi Rules of the Secretary of State," tit. 1, pt. 14, c. 5, r. 5.35 [¶34,496G].** **Mergers and acquisitions broker exemption.** A merger and acquisition broker is exempt from broker-dealer registration in Mississippi unless the broker: (1) directly or indirectly receives, holds, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an eligible privately held company's transfer of ownership; (2) engages on an issuer's behalf in a public offering of any SEC-registered or to-be-registered class of securities under the Exchange Act, Section 12, or if the issuer files Exchange Act, Section 15(d) required reports; or (3) engages on any party's behalf in a public shell company transaction. A merger and acquisition broker is also not exempt from broker-dealer registration if the broker is subject to: (1) Exchange Act, Section 15(b) registration-suspension or -revocation provisions; (2) an Exchange Act, Section 3(a)(39) statutory disqualification; (3) an SEC Regulation D, Rule 506(d) disqualification; or (4) an Exchange Act, Section 15(b), paragraph (4)(H) final order.

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Missouri	No provisions on this topic
Montana	**Mont. Admin. R. ("Rules of the Montana Securities Department"), tit. 6, ch. 10, subch. 3, § 6.10.308 [¶36,438]. Merger acquisition broker exemption from registration.** A merger and acquisition broker is exempt from broker-dealer registration in Montana unless the broker: (1) directly or indirectly receives, holds, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an eligible privately held company's transfer of ownership; (2) engages on an issuer's behalf in a public offering of any SEC registered or to-be-registered class of securities under the Exchange Act Section 12, or if the issuer files Exchange Act Section 15(d) required reports; or (3) engages on any party's behalf in a public shell company transaction. A merger and acquisition broker would also not be exempt from broker-dealer registration if the broker is subject to: (1) Exchange Act, Section 15(b)(4) registration-suspension or -revocation provisions; (2) an Exchange Act Section 3(a)(39) statutory disqualification; (3) an SEC rule-adopted Dodd-Frank Act Section 926 disqualification; or (4) an Exchange Act Section 15(b) paragraph (4)(H) final order. A "merger and acquisition broker" is a broker and a broker-associated person whose business pertains to effecting securities transactions solely in connection with an eligible privately held company's ownership transfer whether or not the broker acts for the buyer or seller through the purchase, sale, exchange, issuance, repurchase or redemption of, or a business combination involving the eligible privately held company's securities or assets, provided: (1) the merger and acquisition broker reasonably believes that upon the transaction's consummation, all persons acquiring the privately held company's securities or assets (acting alone or together) will control and actively manage the company or the business conducted with the company's assets; and (2) a person offered securities in exchange for the eligible privately held company's securities or assets, before becoming legally bound to consummate the transaction, receives or has reasonable access to the issuer's most recent fiscal year-end financial statements about the securities, and the financial statements are customarily prepared by the issuer's management in the normal course of operations. An independent accountant's statement, a balance sheet dated not more than 120 days before the exchange offer date, and information about the issuer's management, business, operation results for the financial statement-covered period and any issuer material loss contingencies must accompany the financial statements if they are audited, reviewed or compiled. Other terms defined include "control," "eligible privately held company," and "public shell company. The Commissioner is authorized to exempt any person or class of persons from the Securities Act of Montana provisions. The dollar amount specified in the "eligible privately held company" definition will be adjusted in a prescribed manner every five years after this rule's effective date.
Nebraska	**Interpretive Opinion #19 [¶37,471]. *Merger acquisition brokers.*** Merger & acquisition brokers facilitating mergers, acquisitions, business sales and business combinations between sellers and buyers of privately-held companies are excluded from Nebraska's "broker-dealer" definition if: (1) the M&A Broker will not have the ability to bind a party to an M&A Transaction;

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	(2) an M&A Broker will not directly, or indirectly through any of its affiliates, provide financing for an M&A Transaction. An M&A Broker that assists purchasers to obtain financing from unaffiliated third parties must comply with all applicable legal requirements, including, as applicable, federal Regulation T (12 CFR 220 et seq.), and must disclose any compensation in writing to the client; (3) under no circumstances will an M&A Broker have custody, control, or possession of, or otherwise, handle funds or securities issued or exchanged in connection with an M&A Transaction or other securities transaction for the account of others; (4) no M&A Transaction will involve a public offering. Any offering or sale of securities must be conducted in compliance with an application exemption from registration under the Act and 1933 Act. No party to any M&A Transaction will be a shell company, other than a business combination related shell company; (5) to the extent an M&A Broker represents both buyers and sellers, it will provide clear written disclosure as to the parties it represents and obtain written consent from both parties to the joint representation; (6) an M&A Broker will facilitate an M&A Transaction with a group of buyers only if the group is formed without the assistance of the M&A Broker; (7) the buyer, or group of buyers, in any M&A Transaction will, upon completion of the M&A Transaction, control and actively operate the company or the business conducted with the assets of the business. A buyer, or group of buyers collectively, would have the necessary control if it has the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. The necessary control will be presumed to exist if, upon completion of the transaction, the buyer or group of buyers has the right to vote 25 percent or more of a class of voting securities; has the power to sell or direct the sale of 25 percent or more of a class of voting securities; or in the case of a partnership or limited liability company, has the right to receive upon dissolution or has contributed 25 percent or more of the capital. In addition, the buyer, or group of buyers, must actively operate the company or the business conducted with the assets of the company; (8) no M&A Transaction will result in the transfer of interests to a passive buyer or group of passive buyers; (9) any securities received by the buyer or M&A Broker in an M&A Transaction will be restricted securities within the meaning of 1933 Securities Act Rule 144(a)(3) because the securities would have been issued in a transaction not involving a public offering; and (10) the M&A Broker (and, if the M&A Broker is an entity, each officer, director or employee of the M&A Broker): (i) has not been barred from association with a broker-dealer by the Commission, any state or any self-regulatory organization; and (ii) is not suspended from association with a broker-dealer. *Definitions.* An "M&A Broker" is a person engaged in the business of effecting securities transactions solely in connection with the transfer of ownership and control of a privately-held company through the purchase, sale, exchange, issuance, repurchase, or redemption of, or a business combination involving, securities or assets of the company, to a buyer that will actively operate the company or the business conducted with the assets of the company. A buyer could actively operate the company through the power to elect executive officers and approve the annual budget or by service as an executive or other executive manager, among other things. Other defined terms include "privately-held company," "shell company," and "business combination related shell company." While the "broker-dealer" definition and registration provisions do not apply, the antifraud provisions do.
Nevada	**Nev. Admin. Code, ch. 90, § 25 [¶38,430-25].** **Merger or acquisition broker exemption.** A merger and/or acquisition broker is exempt from broker-dealer registration in Nevada unless the broker: (1) directly or indirectly receives, holds, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an eligible privately held company's transfer of ownership; (2) engages on an issuer's behalf in a public offering of any SEC registered or to-be-registered class of securities under the Exchange Act, Section 12, or if the issuer files Exchange Act, Section 15(d) required reports; or (3) engages on any party's behalf in a public shell company transaction. A merger and acquisition broker is also not exempt from broker-dealer registration if the broker is subject to: (1) Exchange Act, Section 15(b)(4) registration-suspension or -revocation provisions; (2) an Exchange Act, Section 3(a)(39) statutory disqualification; (3) an SEC rule disqualification under Dodd-Frank Act Section 926; (4) an Exchange Act, Section 15(b), paragraph (4)(H) final order; or (5) fails to comply with Nevada Securities Act Section 645 (if required).

Jurisdiction	Merger/Acquisition Broker-Dealer Exemption
	A “merger and acquisition broker” is a broker and a broker-associated person whose business pertains to effecting securities transactions solely in connection with an eligible privately held company's ownership transfer whether or not the broker acts for the buyer or seller through the purchase, sale, exchange, issuance, repurchase or redemption of, or a business combination involving the eligible privately held company's securities or assets, provided: (1) the merger and acquisition broker reasonably believes that upon the transaction's consummation, all persons acquiring the privately held company's securities or assets (acting alone or together) will control and actively manage the company or the business conducted with the company's assets; and (2) a person offered securities in exchange for the eligible privately held company's securities or assets, before becoming legally bound to consummate the transaction, receives or has reasonable access to the issuer's most recent fiscal year-end financial statements about the securities, and the financial statements are customarily prepared by the issuer's management in the normal course of operations. An independent accountant's statement, a balance sheet dated not more than 120 days before the exchange offer date, and information about the issuer's management, business, operation results for the financial statement-covered period and any issuer material loss contingencies must accompany the financial statements if they are audited, reviewed or compiled. Other terms defined include “control,” “eligible privately held company,” and “public shell company.” The Administrator is authorized to exempt any person or class of persons from Nevada Securities Act and rule provisions.
New Hampshire	No provisions on this topic
New Jersey	No-Action Letter from July 2024 [¶40,692O].
New Mexico	No provisions on this topic
New York	No provisions on this topic
North Carolina	No provisions on this topic
North Dakota	No provisions on this topic
Ohio	**Ohio Rev. Stat. (“Ohio Securities Act”), tit. 17, § 1707.01 [¶45,101]. Definitions.** As used in this chapter: * * * (E)(1) "Dealer," except as otherwise provided in this chapter, means every person, other than a salesperson, who engages or professes to engage, in this state, for either all or part of the person's time, directly or indirectly, either in the business of the sale of securities for the person's own account, or in the business of the purchase or sale of securities for the account of others in the reasonable expectation of receiving a commission, fee, or other remuneration as a result of engaging in the purchase and sale of securities. "Dealer" does not mean any of the following: * * * (c) Any person that, for the account of others, engages in the purchase or sale of securities that are issued and outstanding before such purchase and sale, if a majority or more of the equity interest of an issuer is sold in that transaction, and if, in the case of a corporation, the securities sold in that transaction represent a majority or more of the voting power of the corporation in the election of directors; * * *
Oklahoma	**Okla. Admin. Code (“Rules of the Oklahoma Securities Commission”), tit. 660, ch. 1, subch. 5, Pt. 3, § 660:11-5-26 [¶46,469G]. Merger acquisition broker exemption from registration.** A merger and acquisition broker is exempt from broker-dealer registration in Oklahoma unless the broker: (1) directly or indirectly receives, holds, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an eligible privately held company's transfer of ownership; (2) engages on an issuer's behalf in a public offering of any SEC registered or to-be-registered class of securities under the Exchange Act, Section 12, or if the issuer files Exchange Act, Section 15(d) required reports; or (3) engages on any party's behalf in a public shell company transaction (other than a business combination related shell company).

Jurisdiction	Merger/Acquisition Broker-Dealer Exemption
	A merger and acquisition broker is also not exempt from broker-dealer registration if the broker: (i) directly or indirectly through its affiliates provides financing related to the ownership transfer of an eligible privately held company; (ii) assists any party to obtain financing from an unaffiliated third party without complying with all other applicable laws for obtaining the financing, including Regulation T, or disclosing any compensation in writing to the party; (iii) represents both the buyer and seller in the same transaction without providing clear written disclosure about the parties the broker represents or obtaining written consent from both parties to the joint representation; (iv) facilitates a transaction with a group of buyers formed with the assistance of the merger and acquisition broker to acquire the eligible privately held company; (v) engages in a transaction involving the ownership transfer of an eligible privately held company to a passive buyer or group of passive buyers; or (vi) binds a party to an ownership transfer of an eligible privately held company. Lastly, a merger and acquisition broker is not exempt from registration if the SEC, any state or any self-regulatory organization has: (a) barred the broker (or any of the broker's officers, directors, members, managers, partners or employees) from associating with a broker or dealer, or (b) suspended the broker (or any of the broker's officers, directors, members, managers, partners or employees) from associating with a broker or dealer. NOTE: Notwithstanding the above disqualifications, the Securities Commissioner may exempt a merger and acquisition broker from registration. A "merger and acquisition broker" is a broker and a broker-associated person whose business pertains to effecting securities transactions solely in connection with an eligible privately held company's ownership transfer whether or not the broker acts for the buyer or seller through the purchase, sale, exchange, issuance, repurchase or redemption of, or a business combination involving the eligible privately held company's securities or assets, provided: (1) the merger and acquisition broker reasonably believes that upon the transaction's consummation, all persons acquiring the privately held company's securities or assets (acting alone or together) will control and actively manage the company or the business conducted with the company's assets; and (2) a person offered securities in exchange for the eligible privately held company's securities or assets, before becoming legally bound to consummate the transaction, receives or has reasonable access to the issuer's most recent fiscal year-end financial statements about the securities, and the financial statements are customarily prepared by the issuer's management in the normal course of operations. An independent accountant's statement, a balance sheet dated not more than 120 days before the exchange offer date, and information about the issuer's management, business, operation results for the financial statement-covered period and any issuer material loss contingencies must accompany the financial statements if they are audited, reviewed or compiled. Other terms defined include "control," "eligible privately held company," and "public shell company." The dollar amount specified in the “eligible privately held company” definition will be adjusted in a prescribed manner every five years after this rule's effective date.
Oregon	No provisions on this topic
Pennsylvania	**No-action letter from 2016 [¶48,686J].** The Pennsylvania Department of Banking and Securities will grant a merger and acquisition broker (M&A broker) a registration exemption, provided the M&A broker and the M&A transaction comply with the ten conditions/representations set forth in the 2014-released SEC no-action letter on M&A brokers. Additionally, the M&A broker must take reasonable steps to ensure that: (1) any person acquiring securities or assets in an eligible transaction receive and or have reasonable access to the issuer's financial statements for the securities offered in the M&A transaction; and (2) those persons subject to federal Regulation D, Rule 506(d), i.e., "bad actors" do not participate in the M&A transaction.
Puerto Rico	No provisions on this topic
Rhode Island	No provisions on this topic
South Carolina	**S.C. Code Ann. Regs. (“Rules of the Securities Commissioner”), art. 4, r. 13-416 [¶51,529F]; No-action letter from 2014 [¶51,588].** A merger and acquisition broker is exempt from broker-dealer registration in South Carolina unless the broker: (1) directly or indirectly receives, holds, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an eligible privately held company's transfer of ownership; (2) engages on an issuer's behalf in a public offering of any SEC registered or to-be-registered class of securities under the Exchange Act, Section 12, or if the issuer files Exchange Act, Section 15(d) required reports; or (3) engages on any party's behalf in a shell company transaction (other than a business combination related shell company). A merger and acquisition broker is also not exempt from broker-dealer registration if the broker: (i) directly or indirectly through its affiliates provides financing related to the ownership transfer of an eligible privately held company; (ii) assists any party to obtain financing from an unaffiliated third party without complying with all other applicable laws for obtaining the financing, including Regulation T, and disclosing any compensation in writing to the party; (iii) representing both the

Jurisdiction	Merger/Acquisition Broker-Dealer Exemption
	buyer and seller in the same transaction without providing clear written disclosure about the parties the broker represents and obtaining written consent from both parties to the joint representation; (iv) facilitating a transaction with a group of buyers formed with the assistance of the merger and acquisition broker to acquire the eligible privately held company; (v) engaging in a transaction involving the ownership transfer of an eligible privately held company to a passive buyer or group of passive buyers; or (vi) binds a party to an ownership transfer of an eligible privately held company. Lastly, a merger and acquisition broker is not exempt from registration if the SEC, any state or any self-regulatory organization has: (a) barred the broker (or any of the broker's officers, directors, members, managers, partners or employees) from associating with a broker or dealer, or (b) suspended the broker (or any of the broker's officers, directors, members, managers, partners or employees) from associating with a broker or dealer. NOTE: Notwithstanding the above disqualifications, the Securities Commissioner may exempt a merger and acquisition broker from registration on a case-by-case basis. A “merger and acquisition broker” is a broker and a broker-associated person whose business pertains to effecting securities transactions solely in connection with an eligible privately held company's ownership transfer whether or not the broker acts for the buyer or seller through the purchase, sale, exchange, issuance, repurchase or redemption of, or a business combination involving the eligible privately held company's securities or assets, provided: (1) the merger and acquisition broker reasonably believes that upon the transaction's consummation, all persons acquiring the privately held company's securities or assets (acting alone or together) will control and actively manage the company or the business conducted with the company's assets; and (2) a person offered securities in exchange for the eligible privately held company's securities or assets, before becoming legally bound to consummate the transaction, receives or has reasonable access to the issuer's most recent fiscal year-end financial statements about the securities, and the financial statements are customarily prepared by the issuer's management in the normal course of operations. An independent accountant's statement, a balance sheet dated not more than 120 days before the exchange offer date, and information about the issuer's management, business, operation results for the financial statement-covered period and any issuer material loss contingencies must accompany the financial statements if they are audited, reviewed or compiled. Other terms defined include “business combination related shell company,” “control,” “eligible privately held company,” and “ shell company.” The dollar amount specified in the “eligible privately held company” definition will be adjusted in a prescribed manner every five years after this rule's effective date.
South Dakota	**S.D. Admin. R. (“Regulations of the South Dakota Director of Securities”), art. 20:08, ch. 20:08:03 § 20:08:03.18 [¶52,718], Business brokers.** An exemption from registration applies to a business broker and its issuer-agents when the "business broker," defined as one who markets and facilitates the transfer of a business from one owner to another owner or to a group of purchasers formed without the business broker’s assistance, sells a business that results in a securities transaction, provided the business broker complies with the following requirements: (a) In marketing a business, the business broker will only advertise to potential buyers that the "business" is for sale. (b) The business broker will not advise either the buyer or seller that the transaction be completed via a sale or purchase of securities. (c) If the decision is made to conclude the sale of the business via a sale of securities, it will be made by the buyer and seller or their advisors without the business broker's advice. (d) After the time, if any, the decision is made that the sale transaction will be a securities sale the business broker will then have a limited role in the negotiations between or among the parties and will merely facilitate the transmittal of information or documents between the buyer and seller, or their advisors. (e) In no event will the business broker have the authority to make binding agreements on behalf of any party to a securities transaction. (f) The business broker will not assess the value of any security or equity interest to be sold, but may assess the total value of the assets or the business to be sold as a going concern. (g) The business broker will not assist the buyer in obtaining financing. (h) However, the business broker may provide uncompensated introductions to lending sources that the buyer may consider for the transaction. The business broker also may help in completing the paperwork associated with loan applications for the buyer in order to assist in completing the transaction.

Jurisdiction	Merger/Acquisition Broker-Dealer Exemption
	(i) The compensation to be paid to the business broker will not change regardless of the manner in which the sale is concluded (whether asset sale or the sale of securities). (j) The business broker will always advise potential buyers that the business broker does not and will not verify the information given to the business broker about the business. (k) The business broker will also advise potential buyers that the business broker does not make any representation about the accuracy of the information provided regarding any aspect of the business. (l) The business sold will not be a "shell" entity. (m) The business broker will not handle the transfer of funds from a buyer to a seller, but may accept earnest money from a buyer for deposit with a third party escrow agent. (n) The business broker will always be subject to the anti-fraud provisions of all state and federal securities acts.
Tennessee	**Policy from 2017 [¶54,528].** The Tennessee Securities Division will continue to require registration for merger acquisition brokers but will not take enforcement action against them if they comply with the conditions set forth in the NASAA "Model Rule Exempting Certain Merger & Acquisition Brokers From Registration." [See Comment Column for NASAA Model Rule].
Texas	**Tex. Admin. Code, tit. 7, pt. VII, ch. 139, § 139.27[¶55,720P].** **Mergers and acquisitions dealer exemption.** ***Qualifications.*** Mergers and acquisitions (M&A) dealers and their agents are exempt from registration when effecting a qualified M&A transaction. The M&A transaction is "qualified" if: (1) it is a transfer of ownership and control of a “privately-held company,” as defined, to a buyer through the purchase, sale, exchange, issuance, repurchase, or redemption of securities, or a business combination involving the company's securities or assets; (2) the buyer (or group of buyers), on completing the qualifying M&A transaction, actively operate the company or the business using the company's assets; (3) no qualifying M&A transaction involves a public offering of securities but, will, instead be effected in reliance on an applicable Texas Securities Act exemption from registration; (4) no party to a qualifying M&A transaction is a shell company, unless it is a "Business Combination Related Shell Company," as defined; (5) the buyer (or group of buyers) must, on completing the qualifying M&A transaction, control the company; (6) no qualifying M&A transaction may result in a securities transfer to a passive buyer (or group of passive buyers); and (7) any securities received by the buyer or M&A dealer in a qualifying M&A transaction are "restricted securities" as defined in the Securities Act of 1933, Rule 144A. ***Permitted activities.*** M&A dealers may advertise a privately held company for sale with information such as the business description, general location and price range, so long as the dealers do not include an offer to sell securities. M&A dealers may also facilitate a qualifying M&A transaction with a group of buyers but only if the group is formed without the M&A dealers' assistance. ***Prohibited activities.*** M&A dealers may not: (1) bind a party to a qualifying M&A transaction; (2) provide financing for a qualifying M&A transaction, either directly or indirectly through the dealers’ affiliates; or (3) retain custody, control or possession of funds or securities issued or exchanged to effect a qualifying M&A transaction (or other securities transaction) for others' accounts. ***Disclosures.*** M&A dealers representing both buyers and sellers must, in writing, clearly disclose the parties that the M&A dealer represents, and must obtain the buyers' and sellers' written consent to the joint representation. Additionally, M&A dealers helping buyers obtain unaffiliated third party financing must comply with applicable legal requirements, and disclose to the buyer, in writing, any compensation the M&A dealer will receive. ***Disqualifications.*** M&A dealers subject to federal Regulation A, Rule 262 securities violations and other prescribed "bad boy" provisions are prohibited from claiming the exemption.

Jurisdiction	Merger/Acquisition Broker-Dealer Exemption
	Recordkeeping. M&A dealers must maintain and preserve, for three years, all communications, agreements or contracts with buyers and/or sellers that pertain to transactions for which the M&A dealers received compensation. M&A dealers must make these records available to the Texas Securities Commissioner on request, or forfeit the exemption. ***Definitions.*** An "M&A dealer" is a person engaged in the business of effecting securities transactions solely in connection with a qualifying M&A transaction. "Actively operate," "privately-held company," "shell company," and "business combination related shell company" are also defined.
Utah	**Policy from 2014 [¶57,520].** The Utah Securities Division may allow a licensing exemption for merger acquisition and business brokers if they comply with the conditions stated in the SEC's 2014-released no-action letter on M&A brokers. Upon achieving an exemption, M&A and business brokers must still comply with Utah's Corporate Finance regulations and Securities Act anti-fraud provisions.
Vermont	**Vt. Code R. ("Regulations of the Vermont Department of Financial Regulation"), Rule No. S-2016-01 [¶58,408B]. Mergers and acquisitions broker-dealer registration exemption.** A merger and acquisition broker-dealer is exempt from Vermont broker-dealer registration requirements. The exemption does not apply, however, if: (1) The broker-dealer directly or indirectly holds, receives, transmits or has custody of the funds or securities to be exchanged by the transacting parties in connection with an ownership transfer of an eligible privately held company; (2) The broker-dealer, on the issuer's behalf, engages in a public offering of any class of securities registered or required to register with the SEC under the Exchange Act, or if the issuer files, or is required to file, periodic information, documents and reports under the Exchange Act; (3) The broker-dealer, on any party's behalf, effects a public shell company transaction; or (4) The broker-dealer is subject to specified federal "bad boy" disqualification provisions. ***Definition.*** A "merger and acquisition broker-dealer" is any broker-dealer and any person associated with a broker-dealer engaged in the business of effecting securities transactions solely in connection with the transfer of an eligible privately held company's ownership, whether or not that broker-dealer acts on a seller's or buyer's behalf, through the purchase, sale, exchange, issuance, repurchase, or redemption of (or a business combination involving) the eligible privately held company's securities or assets, if: (1) the merger and acquisition broker-dealer reasonably believes that on consummating the transaction, any person acquiring the eligible privately held company's securities or assets, whether acting alone or in concert, will control and, directly or indirectly, actively manage the eligible privately held company or the business conducted with the eligible privately held company's asset; and (2) any person offered securities in exchange for the eligible privately held company's securities or assets, before becoming legally bound to consummate the transaction, will or have reasonable access to the issuer's most recent fiscal year-end financial statements pertaining to the securities (as its management customarily prepares prepares those financial statements in the normal course of business operations), and, if the issuer's financial statements are audited, reviewed or compiled, any related statement by the independent accountant; a balance sheet dated not more than 120 days before the exchange offer date; and information pertaining to the management, business, operation results for the period covered by the foregoing financial statements, and any of the issuer's material loss contingencies.
Virgin Islands	No provisions on this topic
Virginia	No provisions on this topic

Jurisdiction	Merger/Acquisition Broker-Dealer Exemption
Washington	Washington has a broader exemption that would cover mergers and acquisitions brokers and their transactions. Washington's exemption would fall within the scope of the NASAA M&AB rule (but without being subject to the rule’s various terms or conditions). Click on the four links in the link column.
West Virginia	No provisions on this topic
Wisconsin	No provisions on this topic
Wyoming	No provisions on this topic.

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