

ALABAMA SECURITIES COMMISSION

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Proposed Bill to Promote Raising Capital for Small Business in Alabama

MONTGOMERY, ALABAMA (November 26, 2013) Alabama State Senator Arthur Orr (R), 3rd District, announced today the pre-filing of a bill drafted by the Alabama Securities Commission, that will provide a new exemption to streamline capital formation for small businesses in Alabama.

The new exemption under the proposed legislation would allow Alabama businesses to raise up to \$1,000,000 from Alabama investors in a streamlined and inexpensive process.

ASC Director Joseph Borg said, "An important part of the Commission's mission is to preserve legitimate capital markets in Alabama. This bill, properly utilized, can assist our mission for the benefit of small business in Alabama. This exemption will significantly cut the "Red Tape" for small business, generate a new source of capital and allow greater participation from Alabama "main street" investors at an opportune time as a positive climate for economic development in Alabama continues to grow."

Senator Orr said, "I am wholeheartedly sponsoring this bill because this exemption would especially help small business growth in all Alabama communities to take advantage of an economy that is finally recovering from the most severe recession since the Great Depression. Alabama is poised to grow considerably in the next decade and small businesses such as grocery stores, automobile service stations, tech startups, and many professional services will be critical to formation of strong community infrastructures and prosperity for all."

This bill is designed to help entrepreneurs in promoting start up companies which play a critical role in creating new jobs by using intrastate crowdfunding and to assist in providing the required capital that smaller Alabama enterprises need. **The prefiled bill SB44 may be viewed at: <http://www.legislature.state.al.us>.**

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The ASC cautions potential investors to thoroughly scrutinize and research any investment opportunity or offer. Contact the ASC with inquiries concerning securities broker-dealers, agents, investment advisers, investment adviser representatives, financial planners, registration status of securities or debt management programs, to report suspected fraud or to obtain consumer information. The ASC provides free investor education and fraud prevention materials in print, on our website and through educational presentations upon request.

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