

KEY KENTUCKY SECURITIES STATUTES

FELONY OFFENSES

KRS 292.310(19) “Security” means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, life settlement investment, voting-trust certificate, certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; or, in general any interest or instrument commonly known as a “security,” or any certificate of interest in or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

KRS 292.320(1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly:

- a. To employ any device, scheme, or artifice to defraud;
- b. To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of circumstances under which they were made, not misleading; or
- c. To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

KRS 292.330 It is unlawful for any person to transact business in this state as a broker-dealer, agent, investment adviser or investment adviser representative unless the person is registered with the Kentucky Department of Financial Institutions or is exempt from registration.

KRS 292.340 It is unlawful for any person to offer or sell any security in this state, unless the security is registered with the Kentucky Department of Financial Institutions or is exempt from registration.

KRS 292.991 Any person who **willfully** violates any provision of KRS Chapter 292, except KRS 292.440, or who willfully violates KRS 292.440 knowing the statement made to be false or misleading in any material respect, shall be guilty of a Class D felony.