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### CORPORATE ADVISOR

#### SEC Adopts Amendment to Rule Under Section 18 of the Securities Act to Exempt Securities Listed on Nasdaq Capital Market Tier of NASDAQ from State Law Registration Requirements

May 30, 2007

#### Summary

The SEC has adopted an amendment to a rule under Section 18 of the Securities Act of 1933 to designate securities listed, or authorized for listing, on the Nasdaq Capital Market (NCM) tier of The NASDAQ Stock Market LLC (NASDAQ) as covered securities for the purposes of Section 18 of the Securities Act. Section 18 of the Securities Act provides an exemption from state regulation of securities offerings for securities listed, or authorized for listing, on the Named Markets<sup>1</sup> or any national securities exchange designated by the SEC to have substantially similar listing standards to those markets. On April 18, 2007 the Commission concluded that the listing standards of the NCM are substantially similar to those of the Named Markets and subsequently amended Rule 146(b)<sup>2</sup> to designate securities listed, or authorized for listing, on the NCM as covered securities under Section 18(b)(1) of the Securities Act thereby exempting these securities from state registration. The new rule became effective on May 24, 2007.

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*For further information about Babirak, Vangellow & Carr, P.C., and its lawyers, you may visit our web site at [www.bvcpc.com](http://www.bvcpc.com). If you have any question regarding any topic covered in this Corporate Advisor or regarding any corporate finance or related matter, please feel free to contact:*

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<sup>1</sup> The New York Stock Exchange LLC (NYSE), the American Stock Exchange LLC ("Amex"), or the National Market System of the NASDAQ Stock Market LLC ("Nasdaq/NGM") collectively

<sup>2</sup> Rule 146(b) lists the national securities exchanges, or segments or tiers thereof, which the Commission has determined to have listing standards substantially similar to those of the Named Markets.