

187—16.11(536A) Thrift certificates. A licensee shall notify the superintendent in writing before issuing thrift certificates or similar evidences of indebtedness to the general public.

16.11(1) Acknowledgment. When a new customer purchases a thrift certificate or similar evidence of indebtedness that is not insured by a federal deposit insurance agency, the customer shall sign an acknowledgment. The acknowledgment shall be a separate form and in duplicate. The original copy shall be given to the customer and the duplicate retained by the licensee. The acknowledgment shall be in substantially the following form:

ACKNOWLEDGMENT

THRIFT CERTIFICATES, OR SIMILAR EVIDENCES OF INDEBTEDNESS, ISSUED BY THIS CORPORATION:

- 1) ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR ANY OTHER FEDERAL AGENCY, AND
- 2) ARE NOT INSURED OR GUARANTEED BY THE STATE OF IOWA OR ANY OF ITS AGENCIES.
- 3) ARE INVESTMENTS AND SUBJECT TO INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

You are entitled to a copy of the firm’s Disclosure Document and a copy of the firm’s most current audited financial statements.

Your signature(s) below indicate(s) you have read and received a copy of this document.

Date: _____
 Signature: _____
 Signature: _____
 Signature: _____
 Signature: _____

16.11(2) Disclosure. A licensee shall, before issuing thrift certificates or similar evidences of indebtedness that are not insured by a federal deposit insurance agency, have available for distribution a disclosure document. The disclosure document and any changes to the disclosure document shall be approved by the superintendent. The disclosure document shall contain all material facts necessary to make an informed investment decision with respect to the purchase of a thrift certificate or similar evidence of indebtedness. The disclosure document will provide, at a minimum, the following:

- a. A synopsis of the licensee’s primary business.
- b. A synopsis of management’s experience and expertise.
- c. A statement that thrift certificates have substantial restrictions on their transferability.
- d. A statement that thrift certificates or similar evidences of indebtedness are not registered under the Iowa Securities Act nor are they registered with the Securities and Exchange Commission.
- e. A statement that thrift certificates or similar evidences of indebtedness may be sold only to residents of the state of Iowa.
- f. A statement regarding the licensee’s policy regarding early redemption and penalties, if any, for early redemption.
- g. A statement that thrift certificates or similar evidences of indebtedness are unsecured and purchasers rank as general creditors of the company and have rights prior to subordinated debt, debentures, capital notes and stockholders of the company.
- h. Audited financial statements setting forth in comparative form corresponding figures for the previous two fiscal or calendar year ends.

This rule is intended to implement Iowa Code section 536A.22.