3–127. SALE OF SECURITIES.

(A) DEFINITIONS.

(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "REGISTER" MEANS TO REGISTER SECURITIES WITH THE DIVISION OF SECURITIES IN THE OFFICE OF THE ATTORNEY GENERAL IN ACCORDANCE WITH §§ 11–502 AND 11–504 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

(3) "SALE" HAS THE MEANING STATED IN THE MARYLAND SECURITIES ACT.

(4) "OFFER TO SELL" HAS THE MEANING STATED IN THE MARYLAND SECURITIES ACT.

(B) SCOPE OF SECTION.

(1) THE FILING REQUIREMENTS OF SUBSECTIONS (C) AND (D) OF THIS SECTION APPLY TO A PERSON THAT ENGAGES IN, PROPOSES TO ENGAGE IN, OR ASSISTS IN THE PROMOTION OR FORMATION OF:

(I) A DOMESTIC INSURER;

(II) AN INSURANCE HOLDING CORPORATION; OR

(III) A CORPORATION THAT FINANCES:

1. A DOMESTIC INSURER OR THE PRODUCTION OF ITS BUSINESS; OR

2. AN INSURANCE HOLDING CORPORATION OR THE PRODUCTION OF ITS BUSINESS.

(2) THIS SECTION DOES NOT APPLY TO A PERSON THAT IS OR WILL BE AN AFFILIATE OF AN AUTHORIZED INSURER THAT IS A MEMBER OF AN INSURANCE HOLDING COMPANY REGISTERED WITH THE COMMISSIONER UNDER § 7–601 OF THIS ARTICLE.

(C) FILING WITH COMMISSIONER REQUIRED.

WITHIN 5 DAYS AFTER A REGISTRATION IS FILED WITH THE DIVISION OF SECURITIES, A PERSON THAT IS REQUIRED TO REGISTER A PROPOSED SALE OR OFFER TO SELL SECURITIES UNDER THE MARYLAND SECURITIES ACT SHALL FILE WITH THE COMMISSIONER A COPY OF THAT REGISTRATION.

(D) EXEMPTION NOT APPLICABLE.

AT LEAST 30 DAYS BEFORE THE PROPOSED SALE OR OFFER TO SELL SECURITIES, A PERSON THAT IS EXEMPT UNDER § 11–602(9) AND (10) OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE FROM THE REGISTRATION