

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

In the Matter of:

Capital Eleven Advisors, LLC

Docket No. SB-2025-071

**ORDER WAIVING BROKER
REGISTRATION FOR M&A
BROKER ACTIVITIES**

WHEREAS, effective March 29, 2023, the United States Congress enacted a conditional exemption from registration under Section 15(b)(13) of the Securities Exchange Act of 1934 for qualifying brokers that facilitate mergers and acquisitions (M&A) involving certain privately held companies, as set forth in the Consolidated Appropriations Act, 2023, Public Law 117-328.

WHEREAS, the North American Securities Administrators Association (NASAA) adopted a “Model Rule Exempting Certain Merger & Acquisition Brokers From Registration” on September 29, 2015 and amended May 6, 2024, which many states across the country have adopted in whole or part.

WHEREAS, pursuant to Section 30-14-406(e) of the Idaho Uniform Securities Act (2004), Idaho Code § 30-14-101 *et seq.* (the Act), the Director of the Idaho Department of Finance (Director), may waive, in whole or in part, specific requirements in connection with registration as are in the public interest and for the protection of investors.

WHEREAS, pursuant to Section 30-14-608(b) of the Act, in carrying out the public interest, the Director may consider maximizing uniformity in federal and state regulatory standards and minimizing burdens on capital formation, while ensuring investor protection.

WHEREAS, Capital Eleven Advisors, LLC, (Capital Eleven Advisors), an M&A broker operating in the State of Idaho, seeks exemption from the broker-dealer registration requirements in Idaho, consistent with the conditions of the federal exemption.

WHEREAS, the Director has determined that it is in the public interest and for the protection of investors to issue this order granting a waiver of the broker-dealer registration requirements for Capital Eleven Advisors, subject to the terms set forth herein.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to the authority of the Act, that:

Section 1. Registration Waiver. Capital Eleven Advisors is not required to meet the broker dealer registration requirements of Sections 30-14-401(a) and 30-14-406(a) of the Act, provided it does not engage in any of the Excluded Activities and is not subject to Disqualification as provided in subparagraphs 1(a) and 1(b) below:

- (a) EXCLUDED ACTIVITIES. – Capital Eleven Advisors is not exempt from registration under this Order if it does any of the following:
 - (1) Directly or indirectly, in connection with the transfer of ownership of an eligible privately held company, receives, holds, transmits, or has custody of the funds or securities to be exchanged by the parties to the transaction.
 - (2) Engages on behalf of an issuer in a public offering of any class of securities that is registered, or is required to be registered, with the SEC under Section 12 of the Exchange Act or with respect to which the issuer files, or is required to file, periodic information, documents, and reports under Section 15(d) of the Exchange Act.
 - (3) Engages on behalf of any party in a transaction involving a shell company, other than a business combination related shell company.
 - (4) Directly or indirectly through any of its affiliates, provides financing related to the transfer of ownership of an eligible privately held company.
 - (5) Assists any party to obtain financing from an unaffiliated third party without –
 - (i) complying with all other applicable laws in connection with such assistance, including, if applicable, Regulation T (12 C.F.R. 220 *et seq.*); and
 - (ii) disclosing any compensation in writing to the party.
 - (6) Represents both the buyer and the seller in the same transaction without providing clear written disclosure as to the parties Capital Eleven Advisors represents and obtaining written consent from both parties to the joint representation.
 - (7) Facilitates a transaction with a group of buyers formed with the assistance of Capital Eleven Advisors to acquire the eligible privately held company.
 - (8) Engages in a transaction involving the transfer of ownership of an eligible privately held company to a passive buyer or group of passive buyers.
 - (9) Binds a party to a transfer of ownership of an eligible privately held company.
- (b) DISQUALIFICATION – Capital Eleven Advisors is not exempt from registration under this Order if Capital Eleven Advisors (and if and as applicable, including any officer, director, member, manager, partner, or employee of Capital Eleven Advisors):
 - (1) has been barred from association with a broker or dealer by the SEC, any State, or any self regulatory organization; or
 - (2) is suspended from association with a broker or dealer.

Section 2. Agent. An individual is exempt from the registration requirements of Section 30-14-402 of the Act if they are employed by or associated with Capital Eleven Advisors while Capital Eleven Advisors meets the waiver conditions set forth in Order and does not otherwise act as an agent as defined by Section 30-14-102(2) of the Act.

Section 3. Definitions. Definitions of the terms “Business Combination Related Shell Company,” “Control,” “Eligible Privately Held Company,” “Exchange Act,” “M&A Broker,” and “Shell Company” shall have the same meaning as provided in the Consolidated Appropriations Act, 2023 and as adopted in this Order.

Section 4. All other Provisions of Act Applicable. Except as outlined in this Order, all other provisions of the Act, including the anti-fraud provisions in Part 5 of the Act, remain fully applicable to Capital Eleven Advisors.

IT IS SO ORDERED.

Dated this 12th day of May, 2025.



STATE OF IDAHO
DEPARTMENT OF FINANCE



PATRICIA R. PERKINS, Director