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

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In the matter of: Bright Flash Development, Inc. Request for an Order Pursuant to Idaho Code § 30-14-203

Docket No. 2014-7-04

ORDER

Bright Flash Development, Inc. (the Issuer) is a Post Falls, Idaho based company that seeks to raise capital to fund early stage expenses related to developing technology based products. By letter dated July 8, 2014, the Issuer has requested the Director to issue an order pursuant to authority granted under the Idaho Uniform Securities Act 2004 (the Act), Section 30-14-203 that exempts the offer and sale of the Issuer's securities from the requirement to register.

Based on the representations made by the Issuer in its letter and discussions with the Department, pursuant to Idaho Code § 30-14-203, the Director finds that the following Order is appropriate and in the public interest, and is consistent with the purposes of the Act:

(A) Exemption from registration requirements. The offer or sale of securities by the Issuer shall be exempt from the requirements of Idaho Code § 30-14-301 and amendments thereto, and each individual who represents the Issuer in an offer or sale shall be exempt from the requirements of Idaho Code § 30-14-402 and amendments thereto, if the offer or sale is conducted in accordance with each of the following requirements:

(1) The Issuer is a business or organization formed under the laws of the state of Idaho and registered with the Idaho secretary of state.

(2) The transaction meets the requirements of the federal exemption for intrastate

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offerings in section 3(a)(11) of the securities act of 1933, 15 U.S.C. § 77c(a)(11), and SEC rule 147, 17 C.F.R. 230.147.

(3) The sum of all cash and other consideration to be received for all sales of the Issuer's securities in reliance upon this exemption will not exceed \$2,000,000. The Issuer represents it will raise up to \$600,000 in this offering.

(4) The Issuer will not accept more than \$2,500 from any single purchaser unless the purchaser is an accredited investor as defined by rule 501 of SEC regulation D, 17 C.F.R. 230.501. The Issuer shall not accept an investment from any single investor in an amount that exceeds 10% of the investor's net worth exclusive of the investor's home, automobiles, and furnishings.

(5) A commission or other remuneration shall not be paid or given, directly or indirectly, for any person's participation in the offer or sale of interests in the Issuer unless the person is registered as a broker-dealer or agent under the Act.

(6) All funds received from investors shall be deposited into an escrow account with a bank or depository institution authorized to do business in Idaho, and will be held in escrow until \$150,000 is raised. All funds shall be used in accordance with representations the Issuer has made to investors.

(7) The Issuer has provided a notice of the offering to the administrator in writing or in electronic form and received approval of the offering prior to any offers or sales being made. The Issuer represents the notice specifies that the offering will be conducted in reliance upon this exemption and contains:

(a) The names and addresses of the following persons:

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(i) The Issuer;

(ii) All persons who will be involved in the offer or sale of securities on behalf of the Issuer; and

(ii) The bank or other depository institution in which investor funds will be held in escrow.

(b) A copy of the offering document to be given to investors;

(c) All advertising to be used in the solicitation of investments in the Issuer;

 (8) The Issuer's balance sheet and income statement prepared in accordance with Generally Accepted Accounting Principles and in compliance with IDAPA
12.01.08.22.02 and 03.

(9) The Issuer will not be, either before or as a result of the offering, an investment company as defined in section 3 of the investment company act of 1940, 15 U.S.C. § 80a-3, or subject to the reporting requirements of section 13 or 15(d) of the securities exchange act of 1934, 15 U.S.C. § 78m and 78o(d).

(B) Re-sales of securities. The Issuer shall inform all purchasers that securities in the Issuer have not been registered under the Act and, therefore, cannot be resold unless the securities are registered or qualify for an exemption from registration under Idaho Code § 30-14-301 and amendments thereto. In addition, the Issuer and all its officers, directors and agents shall make the disclosures required by subsection (f) of SEC rule 147, 17 C.F.R. 230.147(f).

(C) Exemption not used in conjunction with other exemptions. The Issuer shall not use this exemption in conjunction with any other exemption from registration under Idaho Code § 30-14-301, except for offers and sales to controlling persons of the Issuer.

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Sales to controlling persons shall not count toward the limitations in paragraph A(4) above.

(D) Disqualifications. This exemption shall not be available if the Issuer or its officers, directors, or agents are subject to a disqualifying event specified in IDAPA 12.01.08.59.02 and 03.

(E) Anti-fraud, other provisions. The availability of this exemption is subject to adherence by the Issuer, its officers, directors and agents to all provisions of the Act not otherwise exempted herein.

IT IS SO ORDERED. DATED this <u>4</u> day of August, 2014.



GAVIN GEE Director of the Idaho Department of Finance