**Section 130.591 Requirements as to Appraisals**

a) An appraisal may be required as an exhibit in connection with an offering of securities of an issuer under the Act which:

1) has not been engaged in the business in which it is engaged for five years, and

2) has not had a net profit in each of the last three fiscal years.

b) The appraisal shall bear a dollar valuation as to the assets of the issuer and shall be prepared as of a date not more than 120 days prior to the date on which the appraisal is filed with the Secretary of State.

c) The appraisal of the assets of the issuer shall be prepared by a disinterested qualified person designated by the Secretary of State. Such person shall be a member of a professional appraiser's organization, have past experience in the specific area to be appraised and be in reasonable geographic proximity to the assets to be appraised.

d) An appraiser shall be appointed by the Secretary of State, with written notification to the issuer and the appraiser of the appointment. Arrangements for cost and time will be resolved between the issuer and the appraiser. If an agreement cannot be reached between the two parties as to time and cost of the appraisal, the Secretary of State will select another qualified firm or individual for the appraisal.

e) An issuer may submit names and credentials of firms or individuals, whom it believes are qualified to make an independent appraisal, for consideration by the Secretary of State for appointment.