

18 NCAC 06A .2017 ESCROW ACCOUNT

(a) An issuer shall be responsible for the establishment and maintenance of an escrow account for investor fund deposits.

(b) The escrow account shall:

- (1) be administered by an escrow agent;
- (2) be a segregated account for each securities offering; and
- (3) be FDIC or NCUSIF insured.

(c) If the escrow agent is a lawyer, the escrow account shall also:

- (1) be a fiduciary account maintained at a bank in North Carolina and operated according to the North Carolina Rules of Professional Conduct, 27 NCAC 02 Rule 1.15, which is incorporated by reference, including subsequent amendments and editions; and
- (2) be designated as an IOLTA account, as defined in 27 NCAC 01D .1316, which is incorporated by reference, including subsequent amendments and editions.

Copies of the rules incorporated by reference in Paragraph (c) of this Rule are available at no cost by sending an email request to secdiv@sosnc.gov or online at <http://reports.oah.state.nc.us/ncac.asp>.

History Note: *Authority* G.S. 78A-17.1(a)(5); 78A-17.1(f); 78A-49(a); 78A-49(d); 78A-64; S.L. 2016-103, s.4.(a);
 Eff. April 1, 2017.