

Superseded 5/10/2016

57-19-11 Disclosure required.

Except in a transaction exempt under Section 57-19-26, any person who sells or offers to sell an interest in a project located in this state, or who sells or offers to sell in this state an interest in a project located outside of this state, shall provide to the prospective purchaser, before the prospective purchaser signs an agreement to purchase an interest in a project or gives any item of value for the purchase of an interest in a project, a written statement which provides a full and fair disclosure of information regarding the project and the purchaser's rights and obligations associated with the purchase of an interest in a project. The written disclosure shall be on the property report form required by the division and shall include:

- (1) the name and address of the developer;
- (2) a statement whether or not the developer has ever been:
 - (a) convicted of a felony, or any misdemeanor involving theft, fraud, or dishonesty; or
 - (b) enjoined from, assessed any civil penalty for, or found to have engaged in the violation of any law designed to protect consumers;
- (3) a brief description of the developer's experience in timeshare, camp resort, or any other real estate development;
- (4) a brief description of the interest which is being offered in the project;
- (5) a description of any provisions to protect the purchaser's interest from loss due to foreclosure on any underlying financial obligation of the project;
- (6) a statement of the maximum number of interests in the project to be marketed, and a commitment that this maximum number will not be exceeded unless disclosed by filing an amendment to the registration as provided in Section 57-19-9 prior to the amendment becoming effective;
- (7) any event which has occurred as of the date of the offer which may have a material adverse effect on the operation of the project; and
- (8) any other information the director considers necessary for the protection of purchasers.