

**Coalition for Cooperative Blockchain Organizations**  
**Concept Draft of Safe Harbor for Non-Fungible Membership Interests**

*July 14, 2025*

**Proposed Rule 131A. Definition of “Security” in Section 2(a)(1), for Certain Equity Interests**

- (a) No equity interest in a corporation, limited liability company, cooperative, unincorporated association, or other entity shall be deemed a “security” as defined in Section 2(a)(1) of the Act if the certificate of incorporation, certificate of formation, articles of association, bylaws, membership agreement, or other governing documents of the entity:
  - (1) Restricts issuance of the equity interests except to persons who participate in the business of the entity or its affiliates as determined by the entity’s governing body;
  - (2) Restricts distributions of dividends to any holder of the equity interests except dividends derived solely from the participation of the holder in the business of the entity or its affiliates;
  - (3) Restricts any transfer of the equity interests except transfers at a price determined by the entity’s governing body to (i) the entity or (ii) any existing holder of the equity interests; and
  - (4) Provides that holders of the equity interests shall have voting control of the entity.
- (b) An investment of money shall not be deemed participation in the business of the entity or its affiliates for purposes of subparagraphs (a)(1)-(2).

**Proposed Amendment to Rule 501 (the “Accredited Investor” definition)**

*Rule 501(a) under the Securities Act shall be amended to add the following subparagraph:*

“(14) Any entity in which (i) all its equity interests are deemed not to be “securities” pursuant to Rule 131A, and (ii) at least one member of its governing body is an accredited investor.”