



**COMMISSIONER OF SECURITIES
STATE OF GEORGIA**

**ORDER GRANTING THE REQUEST FOR VARIANCE OF THE COMMISSIONER OF
SECURITIES RULE, CHAPTER 590-4-2-.08, INVEST GEORGIA EXEMPTION**

The Commissioner of Securities for the State of Georgia (hereinafter “Commissioner”) has determined the following:

1. Groundfloor Properties GA, LLC (hereinafter “Groundfloor”), pursuant to O.C.G.A. § 50-13-9.1, requested a variance from the Rules of the Georgia Commissioner of Securities (“Rule” or “Rules”), specifically, Rule 590-4-2-.08(1)(c), Invest Georgia Exemption (hereinafter “IGE”).
2. Under the IGE, “[t]he sum of all cash and other consideration to be received for all sales of the security in reliance upon this exemption shall not exceed \$1,000,000, less the aggregate amount received for all sales of securities by the issuer within the 12 months before the first offer or sale made in reliance upon this exemption.”
3. Groundfloor previously requested a variance to issue offerings in excess of the \$1,000,000 cap. Groundfloor requested a variance from Rule 590-4-2-.08(1)(c) in the amount of \$2,000,000. Groundfloor made this request March 2, 2015.
4. Pursuant to O.C.G.A. § 50-13-9.1, the Commissioner posted notice of the variance request and accepted comments from the public. The Commissioner held a meeting on Tuesday March 31, 2015 to consider the request for variance. Members of the public were welcome to participate in this meeting. This variance was approved via an Order executed on March 31, 2015.
5. On July 21, 2015, Groundfloor requested a variance of the offering limit set forth in the IGE and the Commissioner’s March 31, 2015 variance Order to issue offerings in excess of the \$1,000,000 cap. Groundfloor stated unless this variance is granted, it will experience significant legal and economic hardship in that strict application of the rule would cause it to shut down its offerings to the citizens of Georgia, not allow it to update its software and infrastructure, expand its customer support, and retain the appropriate number of employees to maintain the operation of Groundfloor’s platform. Groundfloor further stated it has always complied with the provisions of the IGE and will continue to comply with all other provisions of the IGE if this variance is granted.

6. Pursuant to O.C.G.A. § 50-13-9.1, the Commissioner posted notice of the variance request and accepted comments from the public. The Commissioner held a meeting on Monday, August 17, 2015 to consider the request for variance, in which, members of the public were welcome to participate.
7. The Commissioner finds that strict application of the rule in this instance will result in substantial hardship to Groundfloor. The Commissioner further finds that the underlying purpose of the rule, which is to allow a financing vehicle for Georgia companies and an investment options to Georgia residents, can be achieved while allowing Groundfloor to continue to operate their business. The Commissioner has not received any complaints regarding any securities sold by Groundfloor, and allowing them to continue selling securities beyond the \$1,000,000 limit, while remaining in compliance with all other state and federal law and rules, does not endanger the investing public.

In accordance with the above, the Commissioner hereby ORDERS that the request for variance by Groundfloor Properties GA, LLC is GRANTED. Groundfloor shall be allowed a variance from Rule 590-4-2-.08(1)(c) up to \$5,000,000.

This Order shall be effective as of this 18th day of August, 2015.

Brian P. Kemp
Commissioner of Securities
State of Georgia

BY:



C. Ryan Germany
Assistant Commissioner of Securities