

of that class; and any offering of securities registered under the securities act of 1933 or exempted by regulations A or B thereunder; unless permitted by order of the commissioner in compliance with such conditions as he may prescribe for the protection of purchasers.

(7) Notice of an offer to existing security holders exempted under section 551.23 (12), Wis. Stats., shall be filed in the form prescribed by the commissioner, and shall include any prospectus, circular or other material to be delivered to offerees in connection with such transaction.

(8) "Class vote" within the meaning of section 551.23 (13), Wis. Stats., includes any vote pursuant to the articles of incorporation or the applicable corporation statute, of the stockholders of a corporation voting as one class, and any vote of stockholders of any class taken in accordance with the provisions of section 180.52, Wis. Stats., or comparable provisions of the articles of incorporation or of an applicable corporation statute of another state.

(9) Notice of an offer of an evidence of debt of a non-profit corporation exempted under section 551.23 (15), Wis. Stats., shall be filed in the form prescribed by the commissioner, and shall include: a trust indenture meeting the requirements of Wis. Adm. Code section SEC 2.07 (2) under which the evidence of debt is proposed to be issued; a prospectus describing the issuer, trust indenture and evidence of debt proposed to be issued, which shall be given or sent to each person to whom an offer of such evidence of debt is made at the time or times specified in Wis. Adm. Code section SEC 2.06 (1); such additional information as the commissioner may require; and

(a) With respect to an offer qualifying under subsection (15) (a) thereof, a signed or conformed opinion of counsel for the issuer or other evidence satisfactory to the commissioner with respect to the validity and rank of the lien of the mortgage or deed of trust and evidence satisfactory to the commissioner that the total amount of the securities proposed to be offered does not exceed 50% of the then fair market value of the land and buildings included in such mortgage or deed of trust, less the amount of any unpaid special assessment taxes; or

(b) With respect to an offer qualifying under subsection (15) (b) thereof, an income statement and an analysis of surplus of the issuer for each of its 3 immediately preceding fiscal years and a balance sheet of the issuer as of the end of each such fiscal year meeting the requirements of Wis. Adm. Code section SEC 6.07.

(10) The following transactions are exempted under section 551.23 (18), Wis. Stats., without limiting the commissioner's authority thereunder:

(a) Any isolated issuer transaction relating to redeemable securities of an investment company registered under the investment company act of 1940, effected through a licensed broker-dealer pursuant to an unsolicited order or offer to purchase, provided that the broker-dealer obtains from the purchaser a written acknowledgment that such purchase was unsolicited or the confirmation delivered to the purchaser or a memorandum delivered in connection therewith confirms that such purchase was unsolicited by the broker-dealer or any agent of the broker-dealer.

(b) Any issuance of securities by a corporation in a transaction meeting the requirements of section 368 (a) (1) (B) of the internal revenue code, if the issuer files with the commissioner the reorganization agreement and plan pursuant to which such securities are proposed to be issued and such additional information as the commissioner may require, and the commissioner does not by order disallow the exemption within 10 days.

(c) Any transaction pursuant to an offer to existing security holders of the issuer, and to not more than 10 other persons in this state less the number of persons in this state with whom the issuer has effected any transactions during the period of 12 months preceding the offer pursuant to section 551.23 (10) or (11), Wis. Stats., if no commission or other remuneration other than a standby commission is paid or given directly or indirectly for soliciting any security holder in this state; and if the issuer files with the commissioner a notice specifying the terms of the offer, including any prospectus, circular or other material to be delivered to offerees in connection with the transaction and such other information as the commissioner may require, and the commissioner does not by order disallow the exemption within 10 days.

(d) Any transaction incident to a vote of security holders of any issuer other than a corporation, pursuant to its organizational instrument or the applicable statute of any state, on a reorganization or a sale or transfer of assets in consideration of the issuance of securities of another person; if the issuer files with the commissioner a notice specifying the terms of the reorganization, sale or transfer of assets, including any proxy solicitation or other material to be delivered to security holders in connection with the transaction, and the commissioner does not by order disallow the exemption within 10 days.

(e) Any offer or sale of securities pursuant to a transaction not involving a public offering under the securities act of 1933, or to the employees or agents of the issuer pursuant to a stock option plan of the issuer, which the commissioner may by order exempt upon application filed by the issuer or seller, including such information as the commissioner may require, and which is effected in compliance with such conditions as the commissioner may prescribe for the protection of investors.

(11) "Stock split" within the meaning of section 551.23(14), Wis. Stats., does not include any action by the corporation having, or intended to have, the effect of consolidating securities of a class of outstanding equity securities into a smaller number of securities of that class.

History: Cr. Register, December, 1969, No. 168, eff. 1-1-70; r. and recr. Register, August, 1972, No. 200, eff. 9-1-72; emerg. cr. (11), eff. 11-4-75; cr (11), Register, February, 1976, No. 242, eff. 3-1-76.

SEC 2.03 Exemption proceedings. (1) A notice of exemption pursuant to sections 551.22 or 551.23, Wis. Stats., is not deemed filed until payment of the examination fee prescribed by Wis. Adm. Code section SEC 6.01 (1).

(2) If any information is reasonably required by the commissioner prior to the effective date of an exemption, in connection with the examination of any notice filed pursuant to sections 551.22 or 551.23, Register, February, 1976, No. 242

Wis. Stats., the notice is not deemed filed until the information so required is filed with the commissioner.

(3) An order of the commissioner disallowing an exemption with respect to a specified security or transaction pursuant to sections 551.22 or 551.23, Wis. Stats., has the same effect as an order denying or revoking an exemption pursuant to section 551.24, Wis. Stats.

History: Cr. Register, December, 1969, No. 168, eff. 1-1-70; r. and recr. Register, August, 1972, No. 200, eff. 9-1-72.