

CR 95-011

CERTIFICATE

State of Wisconsin)
Office of the)ss.
Commissioner of Securities)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Daniel J. Eastman, Commissioner of the State of Wisconsin Office of the Commissioner of Securities, and custodian of the official records of said agency, do hereby certify that the annexed rule amendments under Ch. 551, Wis. Stats., the Wisconsin Uniform Securities Law, relating to disclosure documents used by certain investment companies, was duly approved and adopted by this agency on April 13, 1995.

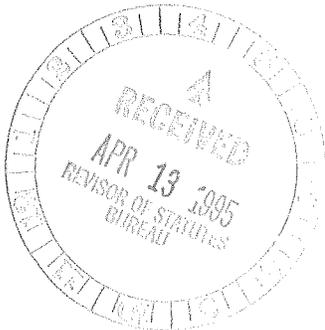
I further certify that this copy has been compared by me with the original on file in this agency and that it is a true copy of the original and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Office of the Commissioner of Securities in the City of Madison, this 13th day of April, 1995.

[SEAL]



Daniel J. Eastman
Commissioner of Securities
State of Wisconsin



6-1-95

FINAL ORDER OF THE
OFFICE OF THE COMMISSIONER OF SECURITIES
STATE OF WISCONSIN
AMENDING RULES

To amend SEC 3.23(3) relating to disclosure documents used by certain investment companies.

SECTION 1. SEC 3.23(3) is amended to read:

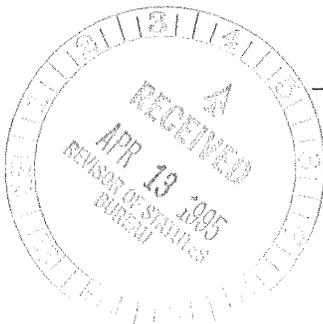
SEC 3.23(3) The prospectus shall contain a full disclosure of all materials facts relating to the issuer and the offering and sale of the registered securities. A prospectus meeting the requirements of form S-1 under the securities act of 1933 that receives full review by the U.S. securities and exchange commission is deemed to satisfy the requirements of this subsection. A prospectus meeting the requirements of form N-1A ~~or form S-6~~ and subsequent post-effective amendments as filed under the securities act of 1933, or the investment company act of 1940, or both, by a registration applicant or an existing registrant that qualifies under s. SEC 3.09(7)(b) is deemed to satisfy the requirements of this subsection. A prospectus meeting the requirements of form S-6 and subsequent post-effective amendments as filed under the securities act of 1933, or the investment company act of 1940, or both, by a registration applicant or an existing registrant that qualifies under s. SEC 3.09(7)(b)3 is deemed to satisfy the requirements of this subsection. If the offering is being made for federal purposes pursuant to use of either Rule 504 of Regulation D under the securities act of 1933 or Rule 147 under section 3(a)(11) of the securities act of 1933, a disclosure document in compliance with the North American Securities Administrators Association, Inc. form U-7 is deemed to satisfy the requirements of this subsection.

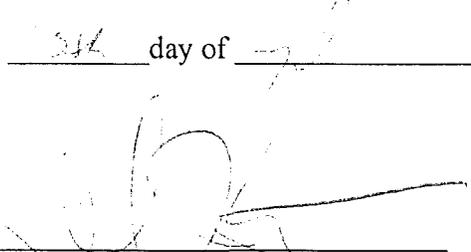
* * * *

This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2)(intro.), Stats.

DATED at Madison, Wisconsin this 24 day of July, 1995.

[SEAL]





DANIEL J. EASTMAN
Commissioner of Securities

Analysis Prepared By the Office of the Commissioner of Securities:

Statutory Authority: ss. 551.63(1), 551.27(10), Stats.

Statutes Interpreted: s.551.27(10).

This order relates to a remedial amendment to SEC 3.23(3), Wis. Adm. Code. Rules of the Commissioner of Securities. For the reasons set forth below, the amendment takes what is now a single sentence of that rule (which covers 2 types of investment company securities issuers) and separates it into 2 distinct sentences treating each type of issuer individually.

Incident to the 1994 version of this agency's annual rule revision process, revisions were made to over 56 separate securities law-related rules, including to SEC 3.23(3). All of the rule revisions became effective January 1, 1995. Rule section SEC 3.23(3) deals with the regulatory requirements for a "prospectus"--the name for the disclosure document required to be given to investors when a securities offering becomes registered for public sale under the Wisconsin Uniform Securities Law.

In the 1994 rule revision, an amendment to SEC 3.23(3) in the form of a new sentence was added which provided that a prospectus meeting the requirements of either Form N-1A (relating to the securities of open-end investment companies) or Form S-6 (relating to the securities of unit investment trusts) prepared under either of 2 specified federal securities laws (the Securities Act of 1933 or the Investment Company Act of 1940) or both, was deemed to satisfy the disclosure requirement of the rule if the registrant or applicant met requirements specified (and cross-referenced) in new rule SEC 3.09(7)(b).

Rule SEC 3.09(7)(b) contains 3 subdivisions [(b)1, (b)2 and subdivision (b)3], each of which establishes a separate requirement. However, because only the requirement specified in subdivision (b)3 of SEC 3.09(7) is applicable to unit investment trusts (which use the S-6 federal prospectus for disclosure purposes), this proposed amendment to SEC 3.23(3) separately breaks out the treatment for S-6 federal prospectuses used by unit investment trusts into a separate sentence. That separate sentence provides that the unit investment trust registrant or applicant which uses the S-6 federal prospectus must meet only the requirements in SEC 3.09(7)(b)3.

REPORT PREPARED BY THE
OFFICE OF THE COMMISSIONER OF SECURITIES
RELATING TO FINAL FORM OF AMENDMENTS TO SEC 3.23(3) OF THE
RULES OF THE COMMISSIONER OF SECURITIES

(a) Statement Explaining Need for Proposed Rules

This proposed order relates to a remedial amendment to SEC 3.23(3), Wis. Adm. Code, Rules of the Commissioner of Securities. For the reasons set forth in the ANALYSIS following the rule, the amendment takes what is now a single sentence of that rule (which covers 2 types of investment company securities issuers) and separates it into 2 distinct sentences treating each type of issuer individually.

(b) Explanation of Modifications Made as a Result of Public Comment Letters and Hearing Testimony

Not Applicable--no hearing required to be held.

(c) List of Persons Appearing or Registering at Public Hearing

None--no hearing required to be held.

(d) Response to Legislative Council/Rules Clearinghouse Report Recommendations

None--no recommendations made by Rules Clearinghouse.

(e) No final regulatory flexibility analysis is included on the basis that the Office of the Wisconsin Commissioner of Securities has determined that the proposed rule amendments will not have a significant economic impact on a substantial number of small businesses.

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

FISCAL ESTIMATE
SCA-2048 N(R10/94)

Subject

SEC 3.23(3), Wis. Adm. Code, Rules of the Commissioner of Securities

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues
- Decrease Costs

Local: No local government costs

- | | | |
|---|---|---|
| <p>1. <input type="checkbox"/> Increase Costs
 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>2. <input type="checkbox"/> Decrease Costs
 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> | <p>3. <input type="checkbox"/> Increase Revenues
 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>4. <input type="checkbox"/> Decrease Revenues
 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> | <p>5. Types of Local Governmental Units Affected:</p> <p><input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities</p> <p><input type="checkbox"/> Counties <input type="checkbox"/> Others _____</p> <p><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts</p> |
|---|---|---|

Fund Sources Affected

GPR FED PRO PRS SEG SEG-3

Affected Ch. 20 Appropriations

None

Assumptions Used in Arriving at Fiscal Estimate

This fiscal estimate relates to a Notice of Rule-Making using the 30-day notice procedure under s. 227.16(2)(e), Wis. Stats., involving SEC 3.23(3), Wis. Adm. Code, Rules of the Commissioner of Securities.

The proposed rule is technical and remedial in nature, and essentially involves taking a single sentence of SEC 3.23(3) (which was amended as part of this agency's 1994 rule revision effective January 1, 1995, and relates to disclosure documents for 2 types of investment company issuers-- open-end investment companies and unit investment trusts) and separates that sentence into 2 distinct sentences that treat each type of issuer individually.

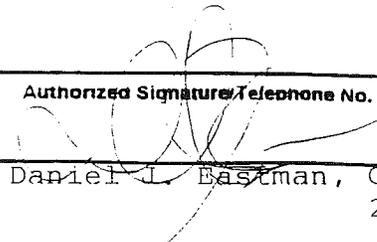
Because the original amendment to SEC 3.23(3) as part of this agency's 1994 rule revision did not have any fiscal effect, this technical amendment to SEC 3.23(3) likewise has no state fiscal effect, nor any local government costs.

Long-Range Fiscal Implications

None

Agency/Prepared by: (Name & Phone No.)
WI Comm of Securities Office
Randall E. Schumann,
General Counsel, 266-3414

Authorized Signature/Telephone No.


Daniel J. Eastman, Commissioner of Securities
266-3434

Date

1-23-95

FISCAL ESTIMATE WORKSHEET

1995 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.

Amendment No.

Subject

SEC 3.23(3), Wis. Adm. Code, Rules of the Commissioner of Securities

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

None

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ 0	\$ - 0
(FTE Position Changes)	(0 FTE)	(- 0 FTE)
State Operations - Other Costs	0	- 0
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 0	\$ - 0
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS	0	- 0
SEG/SEG-S		-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS	0	- 0
SEG/SEG-S		-
TOTAL State Revenues	\$ 0	\$ - 0

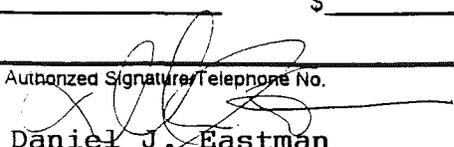
NET ANNUALIZED FISCAL IMPACT

	STATE	LOCAL
NET CHANGE IN COSTS	\$ 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0

Agency/Prepared by: (Name & Phone No.)

WI Commissioner of Securities
Randall E. Schumann, General Counsel
266-3414

Authorized Signature/Telephone No.


Daniel J. Eastman
Commissioner of Securities
266-3434

Date

1-23-95

WISCONSIN LEGISLATIVE COUNCIL STAFF



RULES CLEARINGHOUSE

Ronald Sklansky
Director
(608) 266-1946

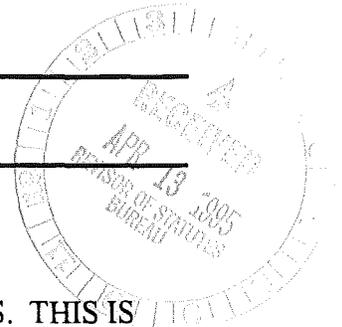


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CLEARINGHOUSE REPORT TO AGENCY



[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 95-011

AN ORDER to amend SEC 3.23 (3), relating to disclosure documents used by certain investment companies.

Submitted by **OFFICE OF THE COMMISSIONER OF SECURITIES**

01-24-95 RECEIVED BY LEGISLATIVE COUNCIL.
02-20-95 REPORT SENT TO AGENCY.

RS:DLS:kjf

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO