

Chapter SEC 6

GENERAL PROVISIONS

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SEC 6.01 Examination expenses. The following amounts are prescribed for the expenses of examination of various matters arising under chapter 551, Wis. Stats., are chargeable to the applicant, registrant or licensee, and are payable unless otherwise provided at the time an application or notice is filed:

- (1) Examination of registration matters:
 - (a) Application for post-effective amendment of a registration statement ----- \$20
 - (b) Application for extension of a registration statement ----- \$20
 - (c) Application for exemption from registration under section 551.23 (18), Wis. Stats. \$50
 - (d) Application for opinion confirming an exemption ----- \$20
 - (e) Notice filed under section 551.22 (8), (10), or (14), Wis. Stats., or under section 551.23 (3) (c) or (12), Wis. Stats., or under sections Wis. Adm. Code SEC 2.01 (1) or 2.02 (9) ----- \$20
 - (f) Notice filed under section 551.23 (3) (d) or (15), Wis. Stats. ----- \$50
- (2) Examination of licensing matters:
 - (a) Examination of an agent, investment adviser or a person representing an investment adviser pursuant to section 551.32 (4), Wis. Stats. ----- \$10
 - (b) Periodic examination of a broker-dealer or investment adviser pursuant to section 551.33 (4), Wis. Stats. ----- An amount not exceeding in any one year the aggregate amount of license fees paid for such year by the broker-dealer and its agents or by an investment adviser, payable upon completion of the examination

(3) Examination of advertising:

- (a) Advertising filed by a licensee or registrant pursuant to section 551.53, Wis. Stats. \$5 per item, but not exceeding an aggregate amount of \$150 per licensee or registrant in any one year

- (b) Advertising filed by a person not a licensee or registrant pursuant to section 551.53, Wis. Stats. ----- \$10 per item

History: Cr. Register, December, 1969, No. 168, eff. 1-1-70.

SEC 6.02 Advertising. (1) The following advertising used in connection with the offer, sale or purchase of any security in this state is exempted from filing under section 551.53, Wis. Stats.:

(a) A prospectus used in connection with an offering of a security for which a registration statement has been filed under sections 551.25 or 551.26, Wis. Stats., except an offering of redeemable securities issued by an investment company registered under the investment company act of 1940, or of a security exempted under Wis. Adm. Code section SEC 2.01 (1);

(b) Advertising relating to a security exempted under section 551.22, Wis. Stats., except under Wis. Adm. Code sections SEC 2.01 (1) or (2), or relating to a transaction exempted under section 551.23, Wis. Stats., except sub. (3), (9), (10), (12), (15) or (18) thereof, and except subsection (11) thereof if the issuer has no securities registered under the securities act of 1933 or registered under section 12 of the securities exchange act of 1934;

(c) Advertising which does no more than state from whom a prospectus may be obtained, identify the security offered for sale and state the price thereof and the names of broker-dealers having an interest in the sale thereof;

(d) Advertising published by a licensed broker-dealer or investment adviser concerning the qualifications or business of the licensee, the general advisability of investing in securities or market quotations or other factual information relating to particular securities or issuers, provided such advertising contains no recommendation concerning the purchase or sale of particular securities;

(e) Advertising, including but not limited to annual reports and proxy statements, published by an issuer specified in section 551.22 (3), (4), (5) or (6), Wis. Stats., or registered under section 12 of the securities exchange act of 1934, or exempted from registration by section 12 (g) (2) (G) thereof, relating to transactions exempted under section 551.23, Wis. Stats.; and

(f) Any other advertising which the commissioner may specify by order.

(2) All advertising required to be filed by a licensee or registrant shall be filed with the commissioner not later than the date of use. All advertising required to be filed by any other person shall be filed in duplicate not less than 10 days prior to the date of use or such shorter period as the commissioner may permit, and shall not be used in this state until a copy thereof, marked with allowance for use, has been received from the commissioner.

(3) Every filing with the commissioner of sales literature of an investment company registered under the investment company act of 1940 shall indicate the date of its filing with the National Association of Securities Dealers, Inc., or the securities and exchange commission and the action taken thereon. Any such literature which is materially misleading within the meaning of the statement of policy of the securities and exchange commission, as amended November 5, 1957, is deemed "false or misleading advertising" within the meaning of section 551.53, Wis. Stats.

History: Cr. Register, December, 1969, No. 168, eff. 1-1-70.

SEC 6.03 Injunctions. In any injunctive proceeding under section 551.57, Wis. Stats., the commissioner may petition the court to order rescission of any sale or purchase of securities determined to be in violation of chapter 551, Wis. Stats.

History: Cr. Register, December, 1969, No. 168, eff. 1-1-70.

SEC 6.04 Civil liabilities. (1) For purposes of sections 551.59 (1) and (2), Wis. Stats., any person who places an order or effects a transaction involving the purchase or sale of a security for the account of a customer pursuant to discretionary authority is deemed to be offering or selling or purchasing a security.

(2) An offer to repurchase securities made pursuant to section 551.59 (6) (a), Wis. Stats., by a licensed broker-dealer and not involving an act or omission specified in section 551.59 (1) (b), Wis. Stats., may provide that the period within which such offer may be accepted by the offeree is not less than 15 days after the date of receipt thereof.

(3) Every offer to repurchase or return securities made pursuant to subsection (6) (a) or (b) of section 551.59, Wis. Stats., shall include, in addition to the information specified in such subsections, the price at which the security was sold or purchased, the price of the security on the date the offer is made and such additional information as the commissioner may require in connection with specific offers.

History: Cr. Register, December, 1969, No. 168, eff. 1-1-70.

SEC 6.05 Annual reports. (1) Every issuer of equity securities which are held by more than 100 stockholders of record in this state, registered under chapter 551, Wis. Stats., or any predecessor law, but not registered under section 12 of the securities exchange act of 1934 or exempted from registration by section 12 (g) (2) (G) thereof, shall distribute to such stockholders not more than 120 days after the end of each fiscal year of the issuer a balance sheet of the issuer as of the end of such fiscal year and an income statement and analysis of surplus for such fiscal year meeting the requirements of Wis. Adm. Code section SEC 6.07.

(2) Every domestic corporation and every foreign corporation licensed in this state and not registered under section 12 of the securities exchange act of 1934 or exempted from registration by section 12 (g) (2) (G) thereof, shall indicate on its annual report filed with the secretary of state pursuant to sections 180.793 or 180.833, Wis. Stats., the number of stockholders of record in this state of each class of its equity securities.

History: Cr. Register, December, 1969, No. 168, eff. 1-1-70.

Register, December, 1969, No. 168

SEC 6.06 Administrative files. The information contained in any investigation files of the commissioner shall be kept confidential, unless the disclosure of such information is deemed by the commissioner to be in the public interest.

History: Cr. Register, December, 1969, No. 168, eff. 1-1-70.

SEC 6.07 Financial statements. (1) All financial statements required by chapter 551, Wis. Stats., or these rules shall be:

(a) Prepared in accordance with generally accepted accounting principles applied on a consistent basis; and

(b) Certified by an independent public accountant, provided that this requirement may be waived by the commissioner in particular cases for good cause shown and does not apply to interim financial statements unless otherwise required by the commissioner in particular cases.

(2) Financial statements meeting the requirements of regulation S-X of the securities and exchange commission are deemed to satisfy the requirements of subsection (1) of this rule.

History: Cr. Register, December, 1969, No. 168, eff. 1-1-70.