

Chapter DFI-Sec 24

EXEMPTIONS

DFI-Sec 24.01 Exemptions from ownership information filing.

DFI-Sec 24.02 Other filing exemptions.

History: Emergency rules covering general subject matter were adopted effective July 1, 1972. Chapter SEC 24 was renumbered chapter DFI-Sec 24 under s. 13.93 (2m) (b) 1., Stats., and corrections made under s. 13.93 (2m) (b) 6. and 7., Stats., Register, December, 1996, No. 492.

DFI-Sec 24.01 Exemptions from ownership information filing. The following persons are exempted under s. 552.13 (3), Stats., without limiting the division's authority thereunder, from the ownership information filing requirements of s. 552.03, Stats.:

(1) A person who makes any acquisition of the direct or indirect beneficial ownership of an equity security of a target company which, when added to the net of all acquisitions and dispositions by the same person of securities of the same class during the preceding 12 months, does not exceed 2% of the outstanding equity securities of that class.

(2) Any target company which acquires or has acquired the direct or indirect beneficial ownership of its own equity securities, except in connection with a take-over offer.

(3) A person who, prior to an acquisition of the equity securities of an issuer, was the beneficial owner of more than 5% of the outstanding securities of the same class as those acquired and the following conditions are met:

(a) The acquisition is made pursuant to pre-emptive subscription rights in an offering made to all holders of securities of the class to which pre-emptive subscription rights pertain;

(b) The purchaser does not, through the exercise of such pre-emptive subscription rights, acquire more than the purchaser's pro-rata share of the securities offered; and

(c) The acquisition is duly reported pursuant to section 16 (a) of the securities exchange act of 1934, or the offering is exempted pursuant to s. 551.202 (15), Stats.

(4) Any person who acquires or has acquired the direct or indirect beneficial ownership of the equity securities of either:

(a) A target company registered under ch. 551, Stats., or its predecessor laws if the company did not have more than 100 stockholders of record as of the end of its most recent fiscal year; or

(b) A target company whose securities are exempted from registration under s. 551.201 (3) (b), Stats., or predecessor laws, if the company did not have more than 100 stockholders of record as of the end of its most recent fiscal year.

(5) Any broker-dealer who, in connection with its participation in an underwriting or distribution of equity securities of a

target company, or in connection with its transactions as a dealer, acquires more than 5% of the direct or indirect beneficial ownership of its outstanding equity securities of any class, provided that, at the termination of the period of the underwriting or distribution not exceeding 90 days, the broker-dealer owns less than 5% of such class of the equity securities.

(6) In connection with any acquisition of the direct or indirect beneficial ownership of any equity securities of a target company prior to July 1, 1972:

(a) Any person who made such acquisitions before July 29, 1968;

(b) Any person who made such acquisitions before January 1, 1970, unless such person was required to file a schedule 13D in compliance with section 13 (d) of the securities exchange act of 1934;

(c) Any person whose acquisitions are not exempted under par. (a) or (b), but who on July 1, 1972, no longer had direct or indirect beneficial ownership of at least 5% of any class of the equity securities of the target company.

History: Cr. Register, October, 1972, No. 202, eff. 11-1-72; am. (4), Register, December, 1984, No. 348, eff. 1-1-85; correction in (3) (b) made under s. 13.93 (2m) (b) 5., Stats., Register, December, 1992, No. 444, eff. 1-1-93; correction in (3) (c) and (4) (b) made under s. 13.92 (4) (b) 7., Stats., Register December 2012 No. 684.

DFI-Sec 24.02 Other filing exemptions. The following solicitation materials and communications are exempted under the general rule-making authority of the division in s. 552.13 (2), Stats., from any and all filing requirements of ch. 552, Stats.:

(1) Offers to purchase securities made in connection with a distribution of securities permitted by rule 10b-7 or 10b-8 of the securities exchange act of 1934;

(2) The call or redemption of any security in accordance with the terms and conditions of the governing instruments;

(3) Offers to purchase securities evidenced by a script certificate, order form or similar document which represents a fractional interest in a share of stock or similar security;

(4) Offers to purchase securities pursuant to a statutory procedure for the purchase of dissenting shareholder's securities;

(5) The furnishing of information and advice regarding a take-over offer to customers or clients by attorneys, banks, broker-dealers, fiduciaries or investment advisers, who are not otherwise participating in the take-over offer or solicitation.

History: Cr. Register, October, 1972, No. 202, eff. 11-1-72.