

2715.4500 EQUITY SECURITY OWNERSHIP OVER TEN PERCENT.

Subpart 1. **Class of security.** In determining, for the purpose of clause (1) of the act, whether a person is the beneficial owner, directly or indirectly, of more than ten percent of any class of any equity security, such class shall be deemed to consist of the total amount of such class outstanding, exclusive of any securities of such class held by or for the account of the insurer or a subsidiary of the insurer; except that for the purpose of determining percentage ownership of voting trust certificates or certificates of deposit for equity securities, the class of voting trust certificates or certificates of deposit shall be deemed to consist of the amount of voting trust certificates or certificates of deposit issuable with respect to the total amount of outstanding equity securities of the class which may be deposited under the voting trust agreement or deposit agreement in question, whether or not all of such outstanding securities have been so deposited. For the purpose of this part a person acting in good faith may rely on the information contained in the latest convention form statement filed with the commissioner with respect to the amount of securities of a class outstanding or in the case of voting trust certificates or certificates of deposit the amount thereof issuable.

Subp. 2. **Ownership.** In determining for the purpose of clause (1) of the act whether a person is the beneficial owner, directly or indirectly, of more than ten percent of any class of equity securities, such person shall be deemed to be the beneficial owner of securities of such class that such person has the right to acquire through the exercise of presently exercisable options, warrants, or rights, or through the conversion of presently convertible securities. The securities subject to such options, warrants, rights, or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing, in accordance with subpart 1, the percentage of outstanding securities of the class owned by such person but shall not be deemed outstanding for the purpose of computing the percentage of the class owned by any other person. This subpart shall not be construed to relieve any person of any duty to comply with clause (1) of the act with respect to any equity securities consisting of options, warrants, rights, or convertible securities that are otherwise subject as a class to that clause of the act.

Statutory Authority: *MS s 60A.22*

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