

**2715.5000 OWNERSHIP OF SECURITIES HELD IN TRUST.**

Subpart 1. **Inclusion.** Beneficial ownership of a security for the purpose of clause (1) of the act shall include:

- A. the ownership of securities as a trustee where either the trustee or members of the trustee's immediate family have a vested interest in the income or corpus of the trust;
- B. the ownership of a vested beneficial interest in a trust; and
- C. the ownership of securities as a settlor of a trust in which the settlor has the power to revoke the trust without obtaining the consent of all the beneficiaries.

Subp. 2. **Less than 20 percent.** Except as provided in subpart 3, beneficial ownership of securities solely as a settlor or beneficiary of a trust shall be exempt from the provisions of clause (1) of the act where less than 20 percent in market value of the securities having a readily ascertainable market value held by such trust, determined as of the end of the preceding fiscal year of the trust, consists of equity securities with respect to which reports would otherwise be required. Exemption is likewise accorded from clause (1) of the act with respect to any obligation that would otherwise be imposed solely by reason of ownership as settlor or beneficiary of securities held in trust, where the ownership, acquisition, or disposition of such securities by the trust is made without prior approval by the settlor or beneficiary. No exemption pursuant to this subpart shall, however, be acquired or lost solely as a result of changes in the value of the trust assets during any fiscal year or during any time when there is no transaction by the trust in the securities otherwise subject to the reporting requirements of clause (1) of the act.

Subp. 3. **Ten percent.** In the event that ten percent of any class of any equity security (other than an exempted security) of an insurer subject to the act is held in a trust, that trust and the trustees thereof as such shall be deemed a person required to file the reports specified in clause (1) of the act.

Subp. 4. **Reports.** Not more than one report need be filed to report any holdings or with respect to any transactions in securities held by a trust, regardless of the number of officers, directors, or ten percent stockholders who are either trustees, settlors, or beneficiaries of a trust, provided that the report filed shall disclose the names of all trustees, settlors, and beneficiaries who are officers, directors, or ten percent stockholders. A person having an interest only as a beneficiary of a trust shall not be required to file any such report so long as that person relies in good faith upon an understanding that the trustee of such trust will file whatever reports might otherwise be required of such beneficiary.

Subp. 5. **Immediate family.** As used in this rule, the "immediate family" of a trustee means:

- A. a son or daughter of the trustee, or a descendant of either;

- B. a stepson or stepdaughter of the trustee;
- C. the father or mother of the trustee, or an ancestor of either;
- D. a stepfather or stepmother of the trustee; or
- E. a spouse of the trustee.

Subp. 6. **Adopted persons.** For the purpose of determining whether any of the relations in subpart 5 exists, a legally adopted child of a person shall be considered a child of such person by blood.

Subp. 7. **Remainders.** In determining, for the purposes 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, the interest of such person in the remainder of a trust shall be excluded from the computation.

Subp. 8. **Indirect interests.** No report shall be required by any person, whether or not otherwise subject to the requirement of filing reports under clause (1) of the act, with respect to that person's indirect interest in portfolio securities held by a pension or retirement plan holding securities of an insurer whose employees generally are the beneficiaries of the plan or a business trust with over 25 beneficiaries.

Subp. 9. **Limitation.** Nothing in this rule shall be deemed to impose any duties or liabilities with respect to reporting any transaction or holding prior to its effective date.

**Statutory Authority:** *MS s 60A.22*

**History:** *17 SR 1279*

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