

2715.5600 LONG TERM PROFITS INCIDENT TO SALES WITHIN SIX MONTHS OF EXERCISE.

Long term profits incident to sales within six months of exercise:

A. To the extent specified in item B, the commissioner hereby exempts as not comprehended within the purposes of clause (2) of the act any transaction or transactions involving the purchase and sale, or sale and purchase, of any equity security where such purchase is pursuant to the exercise of an option or similar right either acquired more than six months before its exercise, or acquired pursuant to the terms of an employment contract entered into more than six months before its exercise.

B. In respect of transactions specified in item A, the profits inuring to the insurer shall not exceed the difference between the proceeds of sale and the lowest market price of any security of the same class within six months before or after the date of sale. Nothing in this part shall be deemed to enlarge the amount of profit which would inure to such insurer in the absence of this part.

C. The commissioner also hereby exempts, as not comprehended within the purposes of clause (2) of the act, the disposition of a security, purchased in a transaction specified in item A, pursuant to a plan or agreement for merger or consolidation, or reclassification of the insurer's securities, or for the exchange of its securities for the securities of another person that has acquired its assets, or which is in control, as defined in section 368(c) of the Internal Revenue Code of 1954, as amended, of a person that has acquired its assets, where the terms of such plan or agreement are binding upon all stockholders of the insurer, except to the extent that dissenting stockholders may be entitled, under statutory provisions or provisions contained in the certificate of incorporation, to receive the appraised or fair value of their holdings.

D. The exemptions provided by this part shall not apply to any transactions made unlawful by clause (3) of the act or by any rules thereunder.

E. The burden of establishing market price of a security for the purpose of this part shall rest upon the person claiming the exemption.

Statutory Authority: *MS s 60A.22*

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