

2715.6200 CERTAIN TRANSACTIONS EFFECTED IN CONNECTION WITH A DISTRIBUTION.

Any security shall be exempt from the operation of clause (3) of the act to the extent necessary to render lawful under such clause any sale made by or on behalf of a dealer in connection with a distribution of a substantial block of securities, upon the following conditions:

A. the sale is represented by an over-allotment in which the dealer is participating as a member of an underwriting group, or the dealer or a person acting on the dealer's behalf intends in good faith to offset such sale with a security to be acquired by or on behalf of the dealer as a participant in an underwriting, selling, or soliciting-dealer group of which the dealer is a member at the time of the sale, whether or not the security to be so acquired is subject to a prior offering to existing security holders or some other class of persons; and

B. other persons not within the purview of clause (3) of the act are participating in the distribution of such block of securities on terms at least as favorable as those on which such dealer is participating and to an extent at least equal to the aggregate participation of all persons exempted from the provisions of clause (3) of the act by this part.

However, the performance of the functions of manager of a distributing group and the receipt of a bona fide payment for performing such functions shall not preclude an exemption that would otherwise be available under this part.

Statutory Authority: *MS s 60A.22*

History: *17 SR 1279*

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