

2715.7310 INFORMATION TO BE FURNISHED TO SECURITY HOLDERS.

Subpart 1. **Proxy statement.** No solicitation subject to parts 2715.7100 to 2715.8400 shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information specified in parts 2715.7700 to 2715.7910 (schedule A).

Subp. 2. **Annual report.** If the solicitation is made on behalf of the issuer and relates to an annual meeting of security holders at which directors are to be elected, each proxy statement furnished pursuant to subpart 1 shall be accompanied or preceded by an annual report to security holders. The report shall comply with the requirements of items A to G.

A. The report shall contain in comparative columnar form such financial statements for the last two fiscal years, prepared on a consistent basis, as will in the opinion of the management adequately reflect the financial position of the issuer at the end of each year and the results of its operations for each year. Consolidated financial statements of the issuer and its subsidiaries shall be included in the report if they are necessary to reflect the financial position and results of operations of the issuer and its subsidiaries, but in that case the individual statements of the issuer may be omitted. The commissioner shall, upon the request of the issuer, permit the omission of financial statements for the earlier of the two fiscal years upon a showing of good cause.

B. The financial statements for the last two fiscal years required by item A shall be prepared in a manner acceptable to the commissioner.

C. The report shall include in comparative columnar form a summary of issuer's operations or the operations of the issuer and its subsidiaries consolidated, or both as appropriate, for each of the last five fiscal years of the issuer, or the life of the issuer and its predecessors if less.

D. The report shall contain a brief description of the business or businesses done by the issuer and its subsidiaries during the most recent fiscal year which will, in the opinion of management, indicate the general nature and scope of the business of the issuer and its subsidiaries.

E. The report shall identify each of the issuer's directors and officers and shall indicate the principal occupation or employment of each of them and the name and principal business of any organization by which they are employed.

F. The report shall identify the principal market in which securities of any class entitled to vote at the meeting are traded, stating the range of bid and asked quotations for each quarterly period during the issuer's two most recent fiscal years, and shall set forth each dividend paid during the two-year period.

G. Subject to the requirements of items A to F, the report may be in any form deemed suitable by management and the information required by items C to F may be

presented in an appendix or other separate section of the report if the attention of security holders is called to this presentation. The requirement of this subpart shall not apply to solicitations made on behalf of the management before the financial statements are available if solicitation is being made at the time in opposition to the management and if the management's proxy statement includes an undertaking in bold face type to furnish the annual report to all persons being solicited at least 20 days before the date of the meeting.

Subp. 3. **Information to commissioner.** Two copies of the report sent to the security holders pursuant to parts 2715.7100 to 2715.8400 shall be mailed to the commissioner solely for informational purposes not later than the date on which the report is first sent or given to security holders or the date on which preliminary copies of solicitation material are filed with the commissioner pursuant to part 2715.7340, whichever date is later.

Subp. 4. **Information to beneficial owners.** If the issuer knows that securities of any class entitled to vote at a meeting with respect to which the issuer intends to solicit proxies, consents or authorizations are held of record by a broker, dealer, bank or voting trustee, or their nominees, the issuer shall inquire of the record holder at least ten days prior to the record date for the meeting of security holders whether other persons are the beneficial owners of the securities and, if so, the number of copies of the proxy and other soliciting material and, in the case of an annual meeting at which directors are to be elected, the number of copies of the annual report to security holders, necessary to supply the material to beneficial owners. The issuer shall supply the record holder in a timely manner with additional copies in the quantities, assembled in the form and at the place, the record holder reasonably requests in order to address and send one copy of each to each beneficial owner of securities so held. The issuer shall pay, upon the request of the record holder, its reasonable expenses for mailing the material to security holders to whom the material is sent.

Statutory Authority: *MS s 60A.22*

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