

Chapter DFI-Sec 26

FRAUDULENT AND DECEPTIVE PRACTICES

DFI-Sec 26.01 Fraudulent, deceptive or manipulative acts or practices.

History: Emergency rules covering general subject matter were adopted effective July 1, 1972. Chapter SEC 26 was renumbered chapter DFI-Sec 26 under s. 13.93 (2m) (b) 1., Stats., and corrections made under s. 13.93 (2m) (b) 6. and 7., Stats., Register, December, 1996, No. 492.

DFI-Sec 26.01 Fraudulent, deceptive or manipulative acts or practices. The following practices or acts are deemed to be “fraudulent, deceptive or manipulative” within the meaning of s. 552.09, Stats., without limiting the division’s authority thereunder:

(1) The publication, use of or sending to the equity security holders of the target company solicitation materials to be used in connection with a take-over offer by persons other than the offeror if, before such solicitation materials are used, published or sent, the persons intending to use, publish or send them fail to file with the division a statement disclosing the following information:

- (a) The name and business address of the person filing the statement;
- (b) Name of the target company and the address of its principal office;
- (c) Title of the class of the equity security to which the solicitation materials relate;
- (d) Identification of the take-over offer to which the solicitation material relates;

(e) Reasons for the solicitation of equity security holders of the target company to accept or reject such take-over offer or request for invitation for tenders;

(f) Where the solicitation materials are to be used, published or sent by persons other than the target company, a description of any arrangement or understanding which the persons making the solicitation have with the target company, its management or the offeror;

(g) The identification of any person or class of persons employed, retained or to be compensated by the person filing this statement or by any person on their behalf, to make solicitations to equity security holders of the target company to accept or reject the take-over offer and a brief description of the terms of the employment, retainer or arrangement for compensation; and

(h) Where the person filing this statement is the target company, information as to all transactions in the class of equity securities of the target company to which this statement relates which were effected during the 60 days immediately precedent to the filing of this statement by the target company and its subsidiaries and their principal officers, directors and affiliated persons.

(2) This rule does not apply to a person, other than the target company, who makes no written solicitations other than those for which copies have been filed by other persons pursuant to s. 552.07, Stats.

History: Cr. Register, October, 1972, No. 202, eff. 11-1-72; correction in (1) (g) made under s. 13.93 (2m) (b) 5., Stats., Register, December, 1992, No. 444, eff. 1-1-93.