

Sec. 38a-124-17. Ownership of more than ten per cent of an equity security

(a) In determining, for the purpose of section 38a-118 of the 1969 supplement to the general statutes, whether a person is the beneficial owner, directly or indirectly, of more than ten per cent of any class of any equity security of an issuer, such class shall be deemed to consist of the total amount of such class outstanding, exclusive of any securities of such class held by or for the account of the issuer or a subsidiary of the issuer; except that for the purpose of determining percentage ownership of voting trust certificates or certificates of deposit for equity securities, the class of voting trust certificates or certificates of deposit shall be deemed to consist of the amount of voting trust certificates or certificates of deposit issuable with respect to the total amount of outstanding equity securities of the class which may be deposited under the voting trust agreement or deposit agreement in question, whether or not all of such outstanding securities have been so deposited. For the purpose of this rule a person acting in good faith may rely on the information contained in the latest Convention Form Statement, filed with the commissioner, with respect to the amount of securities of a class outstanding or in the case of voting trust certificates or certificates of deposit the amount thereof issuable.

(b) In determining for the purpose of said section 38a-118 whether a person is the beneficial owner, directly or indirectly, of more than ten per cent of any class of equity securities, such person shall be deemed to be the beneficial owner of securities of such class which such person has the right to acquire through the exercise of presently exercisable options, warrants or rights or through the conversion of presently convertible securities. The securities subject to such options, warrants, rights or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing, in accordance with subsection (a), the percentage of outstanding securities of the class owned by such person but shall not be deemed outstanding for the purpose of computing the percentage of the class owned by any other person. This subsection shall not be construed to relieve any person of any duty to comply with said section 38a-118 with respect to any equity securities consisting of options, warrants, rights or convertible securities which are otherwise subject as a class to that section.

(Effective September 25, 1992)