

Sec. 38a-124-8. Exemption from section 38a-119 of certain acquisitions and dispositions of securities pursuant to mergers or consolidations

(a) The following transactions shall be exempt from the provisions of section 38a-119 of the 1965 supplement to the general statutes as not comprehended within the purpose of said section; (1) The acquisitions of a security of an issuer, pursuant to a merger or consolidation, in exchange for a security of an issuer which, prior to said merger or consolidation, owned eighty-five per cent or more of the equity securities of all other issuers involved in the merger or consolidation except, in the case of consolidation, the resulting issuer; (2) the disposition of a security, pursuant to a merger or consolidation of an issuer which, prior to said merger or consolidation, owned eighty-five per cent or more of the equity securities of all other issuers involved in the merger or consolidation except, in the case of consolidations, the resulting issuer; (3) the acquisition of a security of an issuer, pursuant to a merger or consolidation, in exchange for a security of an issuer which, prior to said merger or consolidation, held over eighty-five per cent of the combined assets of all the issuers undergoing merger or consolidation, computed according to their book values prior to the merger or consolidation as determined by reference to their most recent available financial statement for a twelve-month period prior to the merger or consolidation; (4) the disposition of a security, pursuant to a merger or consolidation, of an issuer which, prior to said merger or consolidation, held over eighty-five per cent of the combined assets of all the issuers undergoing merger or consolidation, computed according to their book values prior to the merger or consolidation, as determined by reference to their most recent available financial statements for a twelve-month period prior to the merger or consolidation.

(b) A merger within the meaning of this rule shall include the sale or purchase of substantially all the assets of one issuer by another in exchange for stock which is then distributed to the security holders of the issuer which sold its assets.

(c) Notwithstanding the foregoing, if an officer, director or stockholder shall make any purchase, other than a purchase exempted by this section or otherwise, of a security in any issuer involved in the merger or consolidation and any sale, other than a sale exempted by this section or otherwise, of a security in any other issuer involved in the merger or consolidation within any period of less than six months during which the merger or consolidation took place, the exemption provided by this section shall be unavailable to such officer, director or stockholder to the extent of such purchase and sale.

(Effective September 25, 1992)