

Sec. 38a-124-22. Ownership of securities held in trust

(a) Beneficial ownership of a security for the purpose of section 38a-118 of the 1965 supplement to the general statutes shall include: (1) The ownership of securities as a trustee where either the trustee or members of his immediate family have a vested interest in the income or corpus of the trust, (2) the ownership of a vested beneficial interest in a trust, and (3) the ownership of securities as a settlor of a trust in which the settlor has the power to revoke the trust without obtaining the consent of all the beneficiaries.

(b) Except as provided in subsection (c) hereof, beneficial ownership of securities solely as a settlor or beneficiary of a trust shall be exempt from the provisions of said section 38a-118 where less than twenty per cent in market value of the securities having a readily ascertainable market value held by such trust, determined as of the end of the preceeding fiscal year of the trust, consists of equity securities with respect to which reports would otherwise be required. Exemption is likewise accorded from said section 38a-118 with respect to any obligation which would otherwise be imposed solely by reason of ownership as settlor or beneficiary of securities held in trust, where the ownership, acquisition or disposition of such securities by the trust is made without prior approval by the settlor or beneficiary. No exemption pursuant to this subsection shall, however, be acquired or lost solely as a result of changes in the value of the trust assets during any fiscal year or during any time when there is no transaction by the trust in the securities otherwise subject to the reporting requirements of said section 38a-118.

(c) In the event that ten per cent of any class of any equity security of an issuer is held in a trust, that trust and the trustees thereof as such shall be deemed a person required to file the reports specified in said section 38a-118.

(d) Not more than one report need be filed to report any holdings or with respect to any transaction in securities held by a trust, regardless of the number of officers, directors or ten per cent stockholders who are either trustees, settlors or beneficiaries of a trust, provided the report filed shall disclose the names of all trustees, settlors and beneficiaries who are officers, directors or ten per cent stockholders. A person having an interest only as a beneficiary of a trust shall not be required to file any such report so long as he relies in good faith upon an understanding that the trustee of such trust will file whatever reports might otherwise be required of such beneficiary.

(e) As used in this section the "immediate family" of a trustee means: (1) A son or daughter of the trustee, or a descendant of either, (2) a stepson or stepdaughter of the trustee, (3) the father or mother of the trustee, or an ancestor of either, (4) a stepfather or stepmother of the trustee, (5) a spouse of the trustee. For the purpose of determining whether any of the foregoing relations exists, a legally adopted child of a person shall be considered a child of such person by blood.

(f) In determining, for the purposes 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 any equity security, the interest of such person in the remainder of a trust shall be excluded from the computation.

(g) No report shall be required by any person with respect to his interest in any class of equity securities of an issuer if (i) any class of its equity securities shall be registered, or shall be required to be registered, pursuant to section 12 of the Securities Exchange Act of

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1934, as amended, or (ii) such issuer shall not have any class of its equity securities held of record by one hundred or more persons on the last business day of the year next preceding the year in which equity securities of the issuer would be subject to the provisions of sections 38a-118, 38a-119 and 38a-120 of said supplement except for the existence of subsection (ii) of section 38a-123 of said supplement.

(h) Nothing in this section shall be deemed to impose any duties or liabilities with respect to reporting any transaction or holding prior to April 26, 1966.

(Effective September 25, 1992)