

Appendix VII-4

Rule 133. Offer for sale of securities in connection with reclassification and acquisitions of businesses

(a) Where there is submitted to the vote or consent of the stockholders of a corporation

(1) a proposal for the reclassification of its securities which involves the substitution of a new security or securities for an existing security; or

(2) a plan or agreement for a statutory merger or consolidation under which such corporation will not survive; or

(3) a plan or agreement for the transfer of assets of such corporation to another person in consideration of the issuance of securities of such other person or any of its affiliates

then such corporation (in the event of a reclassification of its securities), or the person or corporation whose securities are to be issued in connection with such merger or consolidation or transfer of assets, shall be deemed to have offered such securities for sale to such stockholders, provided that, in the event of a transfer of assets, the plan or agreement provides for dissolution of the corporation whose stockholders are voting, or the board of directors of such corporation adopts resolutions relative to its dissolution within one year after the taking of such vote of stockholders.

(b) This rule shall supersede the provisions of Rule 133, as previously in effect, on and after _____, and shall have no effect upon proposals, plans or agreements submitted to the vote or consent of the stockholders of any corporation prior to that date.

Note: A reclassification of securities covered by this rule would be exempt from registration pursuant to Sections 3(a)(9) or 3(a)(10) of the Act if the conditions of either of these sections are satisfied.

Transactions by issuers of securities described in this rule are exempt from registration requirements under Section 4(2) if they are transactions “not involving any public offering.” See Rule 180 as to the effect of resales of securities by persons other than the issuer thereof not constituting “distributions” under Rule 162 upon the applicability of that exemption. See also Rule 181 for definition, in connection with the acquisition of a bona fide going business, of the phrase “not involving any public offering” in Section 4(2).