

**§ 230.153**

is offered or sold pursuant to arrangements for the purchase and sale of fractional interests among the person entitled to such fractional interests for the purpose of combining such interests into whole shares, and for the sale of such number of whole shares as may be necessary to compensate security holders for any remaining fractional interests not so combined, notwithstanding that the issuer or an affiliate of the issuer may act on behalf of or as agent for the security holders in effecting such transactions.

(Sec. 4, 48 Stat. 77; 15 U.S.C. 77d)

[30 FR 2657, Mar. 2, 1965]

**§ 230.153 Definition of “preceded by a prospectus”, as used in section 5(b)(2), in relation to certain transactions.**

(a) The term *preceded by a prospectus*, as used in section 5(b)(2) of the Securities Act of 1933 (48 Stat. 77; 15 U.S.C. 77e(b)(2), as amended, in respect of any requirement of delivery of a prospectus to a member of a national securities exchange, on account of a transaction in a security effected on such exchange, shall mean delivery, prior to such transaction, of copies of a prospectus descriptive of such security and meeting the requirements of section 10(a) (48 Stat. 81, sec. 205, 48 Stat. 906; 15 U.S.C. 77j) to such exchange by the issuer or any underwriter, for the purpose of redelivery to members of such exchange upon their request: *Provided*, That as to any transaction occurring prior to the expiration of forty days after the effective date of the registration statement or the expiration of forty days after the first date upon which the security was bona fide offered to the public by the issuer or by or through an underwriter after such effective date, whichever is later (exclusive of the time during which a stop order issued under section 8 is in effect as to such security):

(1) Such exchange shall theretofore have requested of the issuer or, if such requests shall not have been compiled with, of a *principal underwriter* (as that term is defined in §230.405), from time to time, such number of copies of such prospectus as may have appeared reasonably necessary to comply with the requests of its members, and shall have

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delivered from its supply on hand a copy to any member theretofore making a written request therefor, and

(2) The issuer or any underwriter shall theretofore have furnished such exchange with such reasonable number of copies of such prospectus as may have been requested by the exchange for the purpose stated above.

(b) The term *national securities exchange*, as used herein shall mean a securities exchange registered as a national securities exchange under the Securities Exchange Act of 1934 (48 Stat. 881; 15 U.S.C. Chapter 2B), as amended.

[2 FR 1076, May 26, 1937, as amended at 19 FR 6737, Oct. 20, 1954]

CROSS REFERENCES: For the rules and regulations under the Securities Exchange Act of 1934, see part 240 of this chapter. For general requirements as to prospectuses, see §§230.400–230.434a.

**§ 230.153a Definition of “preceded by a prospectus” as used in section 5(b)(2) of the Act, in relation to certain transactions requiring approval of security holders.**

The term *preceded by a prospectus*, as used in section 5(b)(2) of the Act with respect to any requirement for the delivery of a prospectus to security holders of a corporation or other person, in connection with transactions of the character specified in paragraph (a) of §230.145, shall mean the delivery of a prospectus:

(a) Prior to the vote of security holders on such transactions; or,

(b) With respect to actions taken by consent, prior to the earliest date on which the corporate action may be taken; to all security holders of record of such corporation or other person, entitled to vote on or consent to the proposed transaction, at their address of record on the transfer records of the corporation or other person.

[37 FR 23636, Nov. 7, 1972]

**§ 230.153b Definition of “preceded by a prospectus”, as used in section 5(b)(2), in connection with certain transactions in standardized options.**

The term *preceded by a prospectus*, as used in section 5(b)(2) of the Act with