

**NEBRASKA DEPARTMENT OF BANKING AND FINANCE
BUREAU OF SECURITIES**

**INTERPRETATIVE OPINION NO. 9: – SALES OF SECURITIES TO EXISTING SECURITY
HOLDERS AND THE SECTION 8-1111(11) EXEMPTION**

This Interpretative Opinion discusses sales of securities to existing security holders pursuant to Section 8-1111(11) of the Securities Act of Nebraska (“Act”).

Section 8-1111(11) provides an exemption from registration for securities offered in a transaction to existing security holders of the issuer, if no commission or remuneration, other than a standby commission, is paid or given directly or indirectly for soliciting any security holder in Nebraska.

It is not necessary for a mutual fund issuer to pay the requisite registration fee provided by Section 8-1108.03 of the Act for the sale of securities of the mutual fund to existing security holders of the same mutual fund, when the mutual fund has complied with all applicable provisions of the Act regarding the sale of mutual funds in Nebraska. The Section 8-1111(11) exemption is only available to a registered mutual fund issuer that sells shares of its mutual fund to its own security holders. The exemption does not apply to the sale of securities of an affiliated mutual fund.

The Section 8-1111(11) exemption for sales of securities to existing security holders is not available to an issuer where the original securities were sold in violation of any provision of the Act or any Rules promulgated thereunder.

Any securities offered in a transaction which neither qualifies for the “sale to existing security holders” exemption provided by Section 8-1111(11), nor for any of the other exemptions provided by Sections 8-1110 and 8-1111, must be registered as provided by Section 8-1104.

Questions regarding this opinion should be addressed to:

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