

SECTION 4 OF THE SECURITIES ACT OF 1933

UNITED STATES CODE SERVICE
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*** CURRENT THROUGH P.L. 108-301, APPROVED 8/16/04 ***

TITLE 15. COMMERCE AND TRADE CHAPTER 2A. SECURITIES AND TRUST INDENTURES DOMESTIC SECURITIES

GO TO CODE ARCHIVE DIRECTORY FOR THIS JURISDICTION

15 USCS § 77d (2004)

§ 77d. Exempted transactions

The provisions of section 5 [*15 USCS § 77e*] shall not apply to--

- (1) transactions by any person other than an issuer, underwriter, or dealer.
- (2) transactions by an issuer not involving any public offering.
- (3) transactions by a dealer (including an underwriter no longer acting as an underwriter in respect of the security involved in such transaction), except--

(A) transactions taking place prior to 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,

(B) transactions in a security as to which a registration statement has been filed taking place prior to the expiration of forty days after the effective date of such registration statement or prior to 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, which ever is later (excluding in the computation of such forty days any time during which a stop order issued under section 8 [*15 USCS § 77h*] is in effect as to the security), or such shorter period as the Commission may specify by rules and regulations or order, and

(C) transactions as to securities constituting the whole or a part of an unsold allotment to or subscription by such dealer as a participant in the distribution of such securities by the issuer or by or through an underwriter.

With respect to transactions referred to in clause (B), if securities of the issuer have not previously been sold pursuant to an earlier effective registration statement the applicable period, instead of forty days, shall be ninety days, or such shorter period as the Commission may specify by rules and regulations or order.

(4) brokers' transactions executed upon customers' orders on any exchange or in the over-the-counter market but not the solicitation of such orders.

(5) (A) Transactions [transactions] involving offers or sales of one or more promissory notes directly secured by a first lien on a single parcel of real estate upon which is located a dwelling or other residential or commercial structure, and participation interests in such notes--

(i) where such securities are originated by a savings and loan association, savings bank, commercial bank, or similar banking institution which is supervised and examined by a Federal or State authority, and are offered and sold subject to the following conditions:

- (a) the minimum aggregate sales price per purchaser shall not be less than \$ 250,000;
- (b) the purchaser shall pay cash either at the time of the sale or within sixty days thereof; and
- (c) each purchaser shall buy for his own account only; or

(ii) where such securities are originated by a mortgagee approved by the Secretary of Housing and Urban Development pursuant to sections 203 and 211 of the National Housing Act [*12 USCS § § 1709, 1715b*] and are offered or sold subject to the three conditions specified in subparagraph (A)(i) to any institution described in such subparagraph or to any insurance company subject to the supervision of the insurance commissioner, or any agency or officer

performing like function, of any State or territory of the United States or the District of Columbia, or the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Government National Mortgage Association.

(B) Transactions [transactions] between any of the entities described in subparagraph (A)(i) or (A)(ii) hereof involving non-assignable contracts to buy or sell the foregoing securities which are to be completed within two years, where the seller of the foregoing securities pursuant to any such contract is one of the parties described in subparagraph (A)(i) or (A)(ii) who may originate such securities and the purchaser of such securities pursuant to any such contract is any institution described in subparagraph (A)(i) or any insurance company described in subparagraph (A)(ii), the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, or the Government National Mortgage Association and where the foregoing securities are subject to the three conditions for sale set forth in subparagraphs (A)(i) (a) through (c).

(C) The exemption provided by subparagraphs (A) and (B) hereof shall not apply to resales of the securities acquired pursuant thereto, unless each of the conditions for sale contained in subparagraphs (A)(1) (a) through (c) are satisfied.

(6) transactions involving offers or sales by an issuer solely to one or more accredited investors, if the aggregate offering price of an issue of securities offered in reliance on his paragraph does not exceed the amount allowed under section 3(b) of this title [*15 USCS § 77c(b)*], if there is no advertising or public solicitation in connection with the transaction by the issuer or anyone acting on the issuer's behalf, and if the issuer files such notice with the Commission as the Commission shall prescribe.

HISTORY: (May 27, 1933, ch 38, Title I, § 4, 48 Stat. 77; June 6, 1934, ch 404, Title II, § 203, 48 Stat. 906; Aug. 10, 1954, ch 667, Title I, § 6, 68 Stat. 684; Aug. 20, 1964, P.L. 88-467, § 12, 78 Stat. 580; June 4, 1975, P.L. 94-29, § 30, 89 Stat. 169; Oct. 21, 1980, P.L. 96-477, Title VI, § 602, 94 Stat. 2294.)