

61-1-11.1 Hearings for certain exchanges of securities.

- (1) An application may be made to the division for approval to issue securities or to deliver other consideration in exchange for:
 - (a) one or more outstanding securities, claims, or property interests; or
 - (b) partly in exchange for one or more outstanding securities, claims, or property interests, and partly for cash.
- (2) The director may:
 - (a) hold a hearing upon the fairness of the terms and conditions of an exchange described in Subsection (1); and
 - (b) approve or disapprove the terms and conditions of an exchange described in Subsection (1).
- (3) After conducting a hearing under this section, if the director finds that the terms and conditions of an exchange described in Subsection (1) are fair to those to whom the securities will be issued, the director may:
 - (a) approve the fairness of the terms and conditions of the exchange described in Subsection (1); and
 - (b) approve the exchange described in Subsection (1).
- (4) In a hearing under this section, all persons to whom it is proposed to issue securities or to deliver other consideration in an exchange under Subsection (1) may appear.
- (5) An application under Subsection (1) shall contain the information and be accompanied by the documents required by rule or order of the division.
- (6) A person filing an application under Subsection (1) shall pay a filing fee as determined under Section 61-1-18.4.
- (7) An applicant under this section shall provide adequate notice of any hearing under this section to all persons that have a right to appear, under Subsection (4), at the hearing.
- (8) An application may be made under this section regardless of whether the security or transaction being issued is:
 - (a) exempt from registration; or
 - (b) not required to be registered.
- (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division may establish rules to govern the conduct of a hearing permitted by this section in accordance with Sections 61-1-18.5 and 61-1-24.
- (10) This section is intended to provide for a fairness hearing that satisfies the requirements of Securities Act of 1933, Section 3(a)(10), 15 U.S.C. Section 77c(a)(10), or any comparable section that may subsequently be enacted.

Amended by Chapter 351, 2009 General Session