



State of Wisconsin \ OFFICE OF THE COMMISSIONER OF SECURITIES

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Governor

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November 4, 1975

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Mr. John Huber  
Division of Corporation Finance  
Securities & Exchange Commission  
500 North Capitol Street  
Washington, D. C. 20549

Dear John:

Enclosed is a copy of an administrative rule we have adopted this week dealing with "going private" transactions.

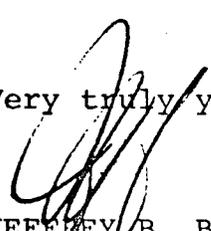
The primary part of the rule, SEC 5.05, is enacted under our anti-fraud statute (comparable to section 101 of the Uniform Securities Act). It defines a "device, scheme or artifice to defraud" to include any going private transaction (as defined), undertaken by a publicly-held issuer with a substantial number and percentage of Wisconsin security holders, which does not comply with the "fairness" and disclosure requirements of the rule.

Sections 2 through 4 of the new rule merely close some loopholes in the "exempt transactions" and "advertising filing" sections of our statute with respect to going private activities.

A rash of going private transactions by Wisconsin issuers in the last 12 months has made it necessary, in the interest of protecting Wisconsin investors, for us to adopt this rule under the emergency rule provisions of our Administrative Procedure Act. A permanent rule will follow after 120 days. In the meantime, we hope to receive comments and suggestions on the rule, and I hope you will give us any you may have.

Personal regards.

Very truly yours,

  
JEFFREY B. BARTELL  
Commissioner of Securities

JBB:jkn

Enclosure