

this, and are the companies set up to transact individual requests like this?

SPEAKER WITHEM: Let me give my immediate response. Senator Landis is signaling to me like he would like to respond more.

SENATOR HALL: Senator Landis.

SPEAKER WITHEM: Then I won't give my response, I'll just let Senator Landis give it then.

SENATOR LANDIS: IBM will have the obligation to meet the SEC requirements for sending out prospectuses and information and disclosures. But IBM will maintain a registry of its stockholders. If Anthony calls up and wants to buy, sends the money, they'll send out a share of stock, because this will be a certificated exchange of securities, and he will appear on the list of stockholders for the corporation's books. And that's how this transaction will be registered, if you will. It doesn't go through a government agency, it doesn't go through a middle man, it is the classic role...the classic registration of stock ownership on a corporate record, which is itself examined on occasion by various governmental agencies and that's how it will be done.

SENATOR MAURSTAD: So, and I think I understood you to say that they have to follow the same disclosure procedures as a broker-dealer would have to. Is that correct?

SENATOR LANDIS: They're not...they would have to follow the Securities and Exchange Commission's rules and responsibilities as far as disclosure, prospectuses, availability of information, and then, of course, your corporate ownership rights as a stockholder, annual reports, proxies, voting and the like.

SENATOR MAURSTAD: Once again, I appreciate the information.

SENATOR HALL: Thank you, Senator Maurstad. Senator Withem, your light is next.

SPEAKER WITHEM: Yeah, another point too, not directly on point to Senator Maurstad's question but one I think related to this and also needs to be clarified. Through the interrelationship of our security statute, Senator Maurstad and others, the only types of issuers, the issuer that is referred to here by