

STANDARD MANUALS EXEMPTIONS

The manual exemptions permits a security to be distributed in a particular state without being registered if the company issuing the security has a listing for that security in a securities manual recognized by the state. However, it is not enough for the security to be listed in a recognized manual. The listing entry must contain:

1. The names of issuers, officers, and directors
2. An issuer's balance sheet
3. A profit and loss statement for either the fiscal year preceding the balance sheet or for the most recent fiscal year of operations

Furthermore, the manual exemption is a nonissuer exemption restricted to secondary trading transactions, making it unavailable for issuers selling newly issued securities.

As you will see from the following chart, most of the accepted manuals are those published in Standard and Poor's, Moody's Investor Service (or Mergent's if the state has amended its laws and rules to recognize the official name change —See IMPORTANT NOTE below), Fitch's Investment Service, and Best's Insurance Reports, and many states expressly recognize these manuals. A smaller number of states declare that they "recognize securities manuals" but do not specify the recognized manuals. The states that do not have any provisions do not expressly recognize the manual exemption.

Securities practitioners wishing to claim the manual exemption in states that do not have any provisions or in states that simply declare their recognition of the exemption without specifying particular manuals are advised to contact the securities administrators in those states to determine their exact position on this exemption.

IMPORTANT NOTE

Moody's Manuals no longer exist, and in their place Mergent's Manuals are now recognized and accepted in those states that previously recognized Moody's Manuals, whether or not the state has amended its laws or regulations or adopted a policy statement or an administrative order to officially recognize the name change from Moody's to Mergent's.

<u>State</u>	<u>Manual Approved</u>	<u>State</u>	<u>Manual Approved</u>
ALABAMA	No provisions	CALIFORNIA	1. Evidences of indebtedness rated as “investment grade securities” as defined by: a. Standard & Poor’s Rating Services b. Moody’s Investor Service c. Fitch IBCA, Inc. [Rule at ¶11.820B]
ALASKA	[Law at ¶8134] 1. Standard & Poor’s Standard Corporation Descriptions 2. Mergent’s Industrial Manual 3. Mergent’s Bank and Finance Manual 4. Mergent’s Public Utility Manual 5. Mergent’s Municipal and Governmental Manual 6. Mergent’s Transportation Manual 7. Mergent’s OTC Industrial Manual 8. Mergent’s OTC Unlisted Manual 9. Mergent’s International Manual [Regulation at ¶8462]	COLORADO	[Law at ¶13.112] 1. Mergent Industrial Manual 2. Mergent Municipal and Governmental Manual 3. Mergent Transportation Manual 4. Mergent Public Utility Manual 5. Mergent Bank and Finance Manual 6. Mergent OTC Industrial Manual 7. Mergent International Manual 8. OTC Markets Group Inc. [with respect to securities included in the OTCQX and OTCQB markets] 9. Periodic Supplements to each recognized Securities Manual [Rule at ¶13.429] The name change from Moody’s to Mergent’s Manuals is recognized by the Colorado Securities Division for purposes of claiming the manual exemptions under the Colorado Securities Act and rules. Mergent’s Manuals appearing in electronic formats including CD-ROM and Internet are recognized. [Administrative Order at ¶13.666B]
ARIZONA	[Law at ¶9136] 1. Mergent’s Industrial Manual 2. Mergent’s Municipal and Governmental Manual 3. Mergent’s Transportation Manual 4. Mergent’s Public Utility Manual 5. Mergent’s Bank and Financing Manual 6. Standard & Poor’s Corporation Records [Rule at ¶9524]	CONNECTICUT	[Law at ¶14.120] 1. Standard & Poor’s Standard Corporation Descriptions 2. Moody’s Industrial Manual 3. Moody’s Bank and Finance Manual 4. Moody’s Transportation Manual 5. Moody’s OTC Industrial Manual 6. Moody’s Public Utility Manual 7. Moody’s International Manual OTCQX and OTCQB, provided OTC Markets, Inc. continues to comply with conditions of a Connecticut Banking Department-issued no-action letter. [Regulation at ¶14.481A; Order at ¶14.585; No-Action Letter at ¶14.628] Mergent’s Inc.’s print-published and CD-ROM and electronic versions of the above manuals are recognized and accepted for exemption purposes. [Letter at ¶14.611]
ARKANSAS	[Law at ¶10.164] 1. S&P Capital IQ Standard Corporation Descriptions 2. Mergent’s Industrial Manual 3. Mergent’s Bank and Finance Manual 4. Mergent’s Transportation Manual 5. Mergent’s Public Utility Manual 6. Mergent’s OTC Industrial Manual 7. Mergent’s International Manual 8. Mergent’s Municipal and Governmental Manual [Rule at ¶10.480] The name change from Moody’s to Mergent’s Manuals is recognized by the Arkansas Securities Department for purposes of claiming the manual exemption under the Arkansas Securities Act and rules. Mergent’s Manuals appearing in electronic formats including CD-ROM and Internet are recognized. [Administrative Order at ¶10.673]		

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DELAWARE	[Law at ¶15,109] <ol style="list-style-type: none"> 1. Mergent's Industrial Manual 2. Mergent's Transportation Manual 3. Mergent's Public Utility Manual 4. Mergent's Bank & Finance Manual 5. Fitch's Individual Stock Bulletin. 6. Mergent's OTC Industrial Manual. 7. OTCQB Market. 8. OTCQX Market. [Rule at ¶15,518]		<ol style="list-style-type: none"> 7. Mergent's Municipal and Government Manual and News Reports. 8. Mergent's International Manual and News Reports. 9. Fitch's Individual Stock Bulletin. 10. OTCQX Market. 11. OTCQB Market. 12. Any other securities manual determined at the Commissioner's discretion to be a nationally recognized securities manual, that requires the continuous disclosure by any issuer relying on the manual for the registration exemption. [Rule at ¶ 18,416; Administrative Order at ¶18,544]
DISTRICT OF COLUMBIA	[Law at ¶16,122] <p>"A nationally recognized securities manual designated ... by the Commissioner..."</p> <ol style="list-style-type: none"> 1. Mergent's Industrial Manual 2. Mergent's Transportation Manual 3. Mergent's Public Utility Manual 4. Mergent's Bank and Finance Manual 5. Mergent's International Manual 6. Standard & Poor's Standard Corporation Description 7. Fitch's Individual Stock Bulletin 8. Mergent's OTC Industrial Manual [Rule at ¶16,500; P.S. at ¶16,753]	GUAM	[Law at ¶19,132] <p>"... a recognized securities manual ..."</p>
		HAWAII	[Law at ¶20,107] <p>"A nationally recognized securities manual or its electronic equivalent."</p>
FLORIDA	[Law at ¶17,106] <ol style="list-style-type: none"> 1. Mergent's Manuals 2. Standard & Poor's Financial Services, LLC. [Rule at ¶17,450]	IDAHO	[Law at ¶21,107] <ol style="list-style-type: none"> 1. Mergent's Industrial Manual 2. Mergent's International Manual 3. Walker's Manual of Western Corporations 4. Best's Insurance Reports-Life-Health [Rule at ¶21,456]
GEORGIA	[Law at ¶18,107] <p>"A nationally recognized securities manual or its electronic equivalent."</p> <ol style="list-style-type: none"> 1. Standard & Poor's Standard Corporation Descriptions. 2. Best's Insurance Manual and News Reports 3. Mergent's Industrial Manual and News Reports. 4. Mergent's Transportation Manual and News Reports. 5. Mergent's Public Utility Manual and News Reports. 6. Mergent's Bank and Finance Manual and News Reports. 	ILLINOIS	No provisions
		INDIANA	[Law at ¶24,107] <p>"A nationally recognized securities manual or its electronic equivalent." [Rule at ¶24,674] Name change from Moody's to Mergent's Manuals is recognized and does not affect application of the secondary trading exemption [Administrative Order at ¶24,702]</p>

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IOWA	<p>[Law at ¶25,113]</p> <p>“A recognized securities manual approved by the Commissioner”</p> <p>Nationally recognized securities manuals for purposes of nonissuer transaction exemption in specified outstanding securities [Iowa Code section 502.202(2) “d”] include Mergent’s Manuals, S & P Capital IQ Standard Corporation Descriptions, Fitch Investment Services, and Best’s Insurance Reports, Life-Health [Rule at ¶25,489]</p>	MASSACHUSETTS	<p>[Law at ¶31,132]</p> <ol style="list-style-type: none"> 1. Standard & Poor’s Standard Corporation Descriptions 2. Moody’s Industrial Manual 3. Moody’s Bank and Finance Manual 4. Moody’s Transportation Manual 5. Moody’s OTC Industrial Manual 6. Moody’s Public Utility Manual [Rule at ¶31,472] The official change in the name from “Moody’s” to “Mergent’s” securities manuals is recognized by the Massachusetts Securities Division and does not affect availability of the securities manuals exemption. [Policy Statement at ¶31,650]
KANSAS	<p>[Law at ¶26,107(2)]</p> <p>A nationally recognized securities manual or its electronic equivalent designated by rule, order, or a record filed with the securities exchange commission. “S&P capital IQ standard corporation descriptions” & “Mergent’s Manuals” [Rule at ¶26,405P; ¶26,628]</p>	MICHIGAN	<p>[Law at ¶32,110]</p> <ol style="list-style-type: none"> 1. Moody’s Industrial Manual 2. Moody’s Transportation Manual 3. Moody’s Public Utility Manual 4. Moody’s Bank and Finance Manual 5. Moody’s Municipal and Government Manual 6. Moody’s OTC Industrial Manual 7. Moody’s International Manual 8. Standard and Poor’s Corporation Records 9. Best’s Life Insurance Reports 10. Best’s Insurance Reports (Fire and Casualty) [Rule at ¶32,476, ¶32,623]
KENTUCKY	No provisions		
LOUISIANA	No provisions		
MAINE	<p>[Law at ¶29,037]</p> <p>A nationally recognized securities manual. Any Mergent or Fitch Securities Manual, and the OTCQX and OTCQB markets that contain, in whatever format, the information specified in 32 M.R.S.A. 16202 (2) (D) (1)--(4). Annual certification requirements apply. [Rules at ¶29,427 and ¶29,428]</p>	MINNESOTA	<p>[Law at ¶33,107]</p> <p>A nationally recognized securities manual or its electronic equivalent designated by rule, order, or a record filed with the Securities Exchange Commission.</p> <ol style="list-style-type: none"> 1. Standard & Poor’s Corporation Records 2. Mergent’s Industrial Manual and Industrial News Reports 3. Mergent’s Bank & Finance Manual and Bank & Finance News Reports 4. Mergent’s Transportation Manual and Transportation News Reports 5. Mergent’s Public Utility Manual and Public Utility News Reports 6. Mergent’s OTC Industrial Manual and OTC Industrial News Reports 7. Mergent’s International Manual [Regulation at ¶33,404]
MARYLAND	<p>[Law at ¶30,172]</p> <ol style="list-style-type: none"> 1. Mergent’s Industrial Manual 2. Mergent’s Transportation Manual 3. Mergent’s Public Utility Manual 4. Mergent’s Bank & Finance Manual 5. Standard & Poor’s Standard Corporation Descriptions. [Rule at ¶30,433; Administrative Order at ¶30,621] 		

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MISSISSIPPI	[Law at ¶34,137] <ol style="list-style-type: none"> 1. Mergent's Industrial Manual 2. Mergent's Municipal and Government Manual 3. Mergent's Transportation Manual 4. Mergent's Public Utility Manual 5. Mergent's Bank and Finance Manual 6. Standard and Poor's Standard Corporate Descriptions or Records 7. Mergent's Over-the-Counter Industrial Manual 8. OTCQX Market and OTCQB Market 	NEVADA	[Law at ¶38,149, ¶38,150] <ol style="list-style-type: none"> 1. Mergent's Industrial Manual 2. Mergent's Municipal and Governmental Manual 3. Mergent's Public Utility Manual 4. Mergent's Transportation Manual 5. Mergent's Bank and Finance Manual 6. Mergent's International Manual 7. Standard & Poor's Corporation Records [Rules at ¶38,473, ¶38,474]
MISSOURI	[Law at ¶35,107] <ol style="list-style-type: none"> 1. Fitch's Rating Register 2. Mergent's Investor Service. 3. OTC Markets' OTCQX and OTCQB. [Rule at ¶35,510] 	NEW HAMPSHIRE	[Law at ¶39,157] <p>A nationally recognized securities manual or its electronic equivalent designated by order issues under this chapter or a record filed with the Securities and Exchange Commission that is publicly available contains: (i) a description of the business and operations of the issuer; (ii) the names of the issuer's executive officers and the names of the issuer's directors, if any; (iii) an audited balance sheet of the issuer as of a date within 18 months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had an audited balance sheet, a pro forma balance sheet for the combined organization; and (iv) an audited income statement for each of the issuer's 2 immediately previous fiscal years or for the period of existence of the issuer, whichever is shorter, or, in the case of a reorganization or merger when each party to the reorganization or merger had an audited income statements, a pro forma income statement.</p>
MONTANA	No provisions [except to claim a foreign security exemption across]. Requires, among other conditions to be satisfied, that the most recent edition of Mergent's Manual or Standard & Poor's Corporation Records, or the periodic supplements to these publications contains a description of the issuer's business, officers' names, and audited balance sheet. [Rule at ¶36,472] "The most recent edition of Mergent's Manual, Standard & Poor's Corporation Records or supplements to these publications" that appears on CD-ROM, the Internet or in another recognized format is considered an acceptable format for purposes of this exemption. [Rule at ¶36,472]		
NEBRASKA	[Law at ¶37,114] <ol style="list-style-type: none"> 1. Manuals published by Moody's Investors Service 2. Manuals published by Standard and Poor's Corporation [Reg. at ¶37,459] 		

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NEW JERSEY	<p>[Law at ¶40,104]</p> <ol style="list-style-type: none"> 1. Moody's Manuals 2. Standard & Poor's Manuals [Rule at ¶40,591] Manuals issued by Mergent's and Standard and Poor's in either print or electronic format are recognized for the securities manuals exemption under the New Jersey Securities Act. [Rule at ¶ 40,525] The change in the name of Moody's Manuals to Mergent's Manuals does not affect the New Jersey Securities Bureau's recognition of these manuals for the exemption for nonissuer transactions by registered broker-dealers. The CD-ROM and Internet versions of Mergent's Manuals is an acceptable substitute for the print version. [No-Action Letter at ¶40,691W] 	NORTH DAKOTA	<p>[Law at ¶44,106]</p> <ol style="list-style-type: none"> 1. Standard and Poor's 2. Mergent's Industrial Manual 3. Mergent's Bank and Finance Manual 4. Mergent's Transportation Manual 5. Mergent's Public Utility Manual 6. Fitch's Investor Service, Inc.
		OHIO	<p>[Law at ¶45,103]</p> <p>“a recognized securities manual”</p>
		OKLAHOMA	<p>[Law at ¶46,107]</p> <ol style="list-style-type: none"> 1. Best's Insurance Reports, Life-Health 2. Moody's Industrial Manual 3. Moody's International Manual 4. OTC Markets: OTCQX and OTCQB Markets [Rule at ¶46,514]
NEW MEXICO	<p>[Law at ¶41,157]</p> <p>A Standard & Poor's, Mergent or Fitch securities manual that contains, in whatever format, the information in 58-13C-202B4(a) to (d) of the New Mexico Uniform Securities Act is designated a “nationally recognized securities manual” for purposes of the registration exemption under Section 58-13C-202B4(a) to (d) of the New Mexico Uniform Securities Act. [Rule at ¶41,571H]</p>	OREGON	<p>[Law at ¶47,103]</p> <ol style="list-style-type: none"> 1. Fitch's Investors Service with ratings of BBB or better for bonds, and ratings of F-3 or better for commercial paper 2. Moody's [Mergent's] Investors Service with Ratings of Baa or better for bonds, and ratings of P-3 or better for commercial paper
NEW YORK	No provisions		<p>[Law at ¶47,104]</p> <ol style="list-style-type: none"> 1. Fitch's Investor Service 2. Mergent's Investor Service 3. The OTCQX and OTCQB markets [Rule at 47,555]
NORTH CAROLINA	<p>[Law at ¶43,122]</p> <ol style="list-style-type: none"> 1. Standard and Poor's Corporation Records 2. Mergent's Industrial Manual 3. Mergent's Over-the-Counter Industrial Manual 4. Mergent's International Manual 5. Periodic supplements to each recognized securities manual [Rule at ¶43,412] 	PENNSYLVANIA	<p>No provisions</p> <p>Commercial paper is of “prime quality” when it is in one of the three highest ratings of a nationally recognized statistical rating organization [Regulation at ¶48,421]</p>

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PUERTO RICO	[Law at ¶49,132] <ol style="list-style-type: none"> 1. Mergent's Industrial Manual 2. Mergent's Transportation Manual 3. Mergent's Public Utility Manual 4. Mergent's Bank & Finance Manual 5. Standard & Poor's Standard Corporation Descriptions [Rule at ¶49,537; Policy Statement at ¶49,604] 	TEXAS	Law at ¶55,105] <ol style="list-style-type: none"> 1. S&P Capital IQ Standard Corporation Descriptions. 2. Best's Insurance Reports Life-Health. 3. Mergent's Manual. 4. OTC Markets (OTCQX and OTCQB). [Rule at ¶55,557]
RHODE ISLAND	[Law at ¶50,124] <ol style="list-style-type: none"> 1. Fitch Investor Services, Inc. 2. Mergent's Investor Services 3. OTC Markets' OTCQX and OTCQB [Rule at ¶50,450] 	U.S. VIRGIN ISLANDS	[Law at ¶60,508] <p>A nationally recognized securities manual or its electronic equivalent.</p>
SOUTH CAROLINA	[Law at ¶51,107] <ol style="list-style-type: none"> 1. S & P Capital IQ Standard Corporation Descriptions. 2. Mergent's Manuals [Rule at ¶51,507] 	UTAH	[Law at ¶57,144] <ol style="list-style-type: none"> 1. OTCQX and OTCQB markets maintained by OTC Markets Group, Inc. 2. Mergent's Industrial Manual 3. Mergent's Bank & Finance Manual 4. Mergent's Transportation Manual 5. Mergent's OTC Industrial Manual 6. Mergent's Public Utility Manual 7. Mergent's OTC Unlisted Manual 8. Mergent's International Manual [Rule at ¶57,411]
SOUTH DAKOTA	[Law at ¶52,317] <ol style="list-style-type: none"> 1. Mergent's Industrial Manual 2. Mergent's Bank and Finance Manual 3. Mergent's Public Utility Manual 4. Mergent's Municipal and Government Manual 5. Mergent's Transportation Manual 6. Mergent's OTC Industrial Manual 7. Mergent's OTC Unlisted Manual 8. Mergent's International Manual 9. OTCQX Market. 10. OTCQB Market. [Rule at ¶52,810W] 	VERMONT	[Law at {58,107] <p>A nationally recognized securities manual or its electronic equivalent.</p> <ol style="list-style-type: none"> 1. Mergent's Industrial Manual 2. Mergent's International Manual 3. QTCQX Best Market Manual 4. Any other manual the commissioner designates by order [Rule at ¶58,408B]
TENNESSEE	No provisions.	VIRGINIA	No provisions

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WASHINGTON	<p>[Law at ¶61,133]</p> <ol style="list-style-type: none"> 1. Fitch Investors Service 2. Mergent's Investors Service 3. OTC Markets Group, Inc. (securities included in the OTCQX and OTCQB markets). [Rule at ¶61,530; for nonissuer transaction exemptions involving the NASAA Uniform Manual Exemption, see ¶61,749J, ¶61,749L] 	WISCONSIN	<p>[Law at ¶64,172]</p> <p>Any Standard & Poor's, Mergent's or Fitch securities manual containing in whatever format the information specified in 551.202(2) (d) 1. through 4. [par. 64,172] is designated a "nationally recognized securities manual" for the s. 551.202(2) exemption for nonissuer transactions by or through a registered or exempt broker-dealer. [Rule at ¶64,512]</p>
WEST VIRGINIA	<p>[Law at ¶63,132]</p> <ol style="list-style-type: none"> 1. Moody's Industrial Manual 2. Moody's Transportation Manual 3. Moody's Public Utility Manual 4. Moody's Bank and Finance Manual 5. Moody's Municipal and Government Manual 6. Moody's OTC Industrial Manual 7. Standard and Poor's Corporation Records 8. Best's Life Insurance Reports 9. Best's Insurance Reports (Fire and Casualty) [Regulation at ¶63,492] <p>Mergent's published versions of Moody's Manuals are recognized by the West Virginia Securities Division for the exemption for transactions in outstanding securities. [Administrative Order at ¶63,634]</p>	WYOMING	<p>[Law at ¶66,114]</p> <ol style="list-style-type: none"> 1. Mergent's Manuals 2. Fitch's Manuals 3. OTCQX and OTCQB markets [Regulation at ¶66,432]