



**THE SECURITIES ACT (THE LOTTO CLUB) EXEMPTION
NOTICE 1993**

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice.

NOTICE

1. Title and commencement—(1) This notice may be cited as the Securities Act (The Lotto Club) Exemption Notice 1993.

(2) This notice shall come into force on the day after the date of its notification in the *Gazette*.

2. Interpretation—(1) In this notice, unless the context otherwise requires,—

“The Act” means the Securities Act 1978:

“Lotto” means a game of lotto administered by the New Zealand Lotteries Commission:

“Manager” in relation to a scheme, means Ralph William Hill, of 6 Bradley Street, Timaru, Self Employed, Peter John Collins, 1 R. D., Timaru, Farmer, and Dawn Marlene McMahon, of 6 Waimatatai Street, Timaru, Office Manager:

“The Regulations” means the Securities Regulations 1983:

“Scheme” means a scheme for the purchase of tickets in a game or games of lotto in respect of which the manager acts in the management:

“Specified participatory security” means a participatory security in respect of a scheme.

(2) Any term or expression that is not defined in this notice, but that is defined in the Act or the Regulations, has the meaning given to it by the Act or the Regulations.

3. Issuer of certain participatory securities exempt from provisions of the Securities Act 1978—(1) Subject to subclause (2) of this clause, the manager, and every person acting on behalf of the manager, is exempted from compliance with the provisions of sections 33 (3), 37, 37A, 38 (a) to (c), 38A, and 51 to 54 of the Act in respect of any offer of specified participatory securities made by the manager.

(2) The exemption granted by subclause (1) of this clause is subject to the following terms and conditions—

(a) That before subscribing for the securities, every person to whom the offer of the securities is made has been supplied by the manager with a copy of a document that contains the information

- required by clauses 1, 2, 4, 8, 13, and 14 of the Third Schedule to the Regulations; and
- (b) That all subscriptions received for the securities are applied solely in the purchase of lotto tickets; and
 - (c) That the maximum aggregate amount raised by offers of the securities in respect of any scheme or schemes does not at any time exceed \$325,000; and
 - (d) That subscriptions for the securities are received only in the form of cheques; and
 - (e) That all subscriptions are accompanied by a form of application for the securities that is annexed to or that forms part of the document referred to in paragraph (a) of this subclause; and
 - (f) That the accounts of the scheme are audited by a qualified auditor in relation to each period of 6 months during which the scheme is in operation and on the winding-up of the scheme; and
 - (g) That a copy of any report prepared by the qualified auditor in relation to the scheme is supplied, free of charge, to every subscriber for the securities within 14 days of completion of the report; and
 - (h) That the issue expenses are paid by the manager and the promoters of the scheme personally and not by the subscribers out of subscriptions; and
 - (i) That the subscribers have no liability for the debts of the scheme; and
 - (j) That the document referred to in paragraph (a) of this subclause states the matters referred to in paragraphs (b) to (i) of this subclause; and
 - (k) That the manager appoints an independent chartered accountant who is a signatory to all cheques drawn on any account in which subscriptions for the securities and money received by a scheme by way of prizes in lotto games is held; and
 - (l) That prizes won by the scheme and paid by the New Zealand Lotteries Commission are collected only by or paid only to the independent chartered accountant who shall be responsible for payment thereof into an account or accounts of the scheme; and
 - (m) That the independent chartered accountant provides to the Commission from time to time, on request, a report in writing on the operation of the scheme.

Dated at Wellington this 21st day of December 1993.

The Common Seal of the Securities Commission was hereunto affixed in the presence of:

[L.S.]

P. D. MCKENZIE,
Chairman.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice, which comes into force on the day after the date of its notification in the *Gazette*, exempts the manager of a scheme for the acquisition of tickets in games of lotto administered by the New Zealand Lotteries Commission, subject to conditions, from compliance with the prospectus requirements and certain other requirements of the Securities Act 1978.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 22 December 1993.
This notice is administered in the Securities Commission.

