

## **Public Offer of Company Securities: The Legal Perspective**

***A paper presented at the Alpha Juris Workshop Series in Port Harcourt, Rivers State, Nigeria, on the 6th & 7th February 2003, by Sotonye I. Etomi, Esq***

### **PREAMBLE:**

Let me start by expressing my gratitude to Alpha-Juris Chambers, the organisers of this Seminar/Workshop, which we shall be participating in over these two days, 6th and 7th February, 2003.

I wish to commend them for this great effort and contribution to the enhancement and development of the legal profession through this continuous legal education programme.

The topic I have been asked to speak on is very relevant today, apt and timely, because: -

- (i) it is the preferred source of raising capital for project by public companies for obvious economic reasons.
- (ii) of the growing evolving nature of the Nigerian Capital market particularly the changes in rules and evolvement of procedures.

### **INTRODUCTION:**

It is inevitable that in running a Company, capital is generally required. This capital can be raised in various ways. However, it appears that from the prevailing Statutes regulating the management, administration and control of Companies, private and public, only public Companies can raise funds from the public through the offer of her securities. This is amply provided in the Companies and Allied Matters Act, Cap 59, Laws of the Federation of Nigeria, 1990 (hereinafter called "CAMA") - see Sections 22(5) and 543 of CAMA.

A cursory interpretation of the above provision of the CAMA clearly forbids a private Company from inviting the public to subscribe for its securities; or deposit money for fixed periods or payable at call, whether or not bearing interest, unless if authorized by law. One of such authorizations by law when private Companies can offer its securities to the public are those private Companies licensed under the Banking and other Financial Institutions Act, 1991, as amended, to carry on banking business.

While this paper is concerned primarily with the ways of raising capital by public Companies, we shall at convenient points in the discourse outline briefly the ways of floating and raising capital for private Companies. However, it is pertinent to note that Statute(s) guide the process of public offer of securities. This, we shall deal with extensively in the course of this paper.

### **1.1 PUBLIC OFFER OF SECURITIES.**

Section 543 of the CAMA provides that it shall not be lawful for any person to make an invitation to the public-

- (a) to acquire or dispose of any securities of a Company; or
- (b) to deposit money with any Company for a fixed period or payable at all, whether bearing or not bearing interest unless the Company concerned is a public Company and the provisions of Sections 548 to 560 of this Act are duly complied with, or
- (c) a company licensed under the Banking Act to carry on banking business. This restriction however, does not apply amongst others to a sale of securities by or under the supervision of the Court.

### **1.2 MEANING OF INVITATION TO THE PUBLIC.**

The word "Public" is not defined in the CAMA but there are provisions that modify its literal meaning. For example, Section 545(1) of the CAMA spelt out the ways in which an invitation or offer to the Public can be deemed to have been made.

The provisions of Section 545(1) of the CAMA widens the scope of the word "Public" to include members of the Company so that rights issue and placing with Clients are deemed to be made to the Public. However, the proviso to Section 545(1) comes in to protect issues of essentially domestic nature - invitation which can properly be regarded in all the circumstances as not being calculated to result in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation.

However, it is important to mention that unlike in the Law of Contract where there is a distinction between offer and invitation to treat, "offer and invitation" in connection with dealings in Company securities may mean the same thing.

### **1.3 SECURITIES.**

The word "Securities" covers a wide range of things. It is however not defined by CAMA. But Section 29, of the Securities and Exchange Commission Act, Cap. 406 Laws of the Federation of Nigeria, 1990 (hereinafter called "SEC Act" provides as follows:

"Securities" means any note, stock, treasury stock, or certificate, government bond, debenture, participation in any profit sharing agreement or in any oil or gas or other mineral royalty or lease, any subscription, transferable share, investment contract, certificate of deposit for a security, or rights of interest (described whether as units or otherwise) under any unit trust scheme, or in general, any instrument commonly known as "security" but shall not include currency or any note, draft bill of exchange or banker's acceptance which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited".

### **1.4 TYPES OF REGISTRABLE SECURITIES.**

Rule 40(A) of the Rules and Regulations of the Securities and Exchange Commission provides that securities offered through the following medium must be registered: -

- " Offer for subscription
- " Offer for sale
- " Rights issue
- " Bonus issue
- " Private placement by public companies
- " Securities arising from conversion of Private Company to Public Limited Company (PLC)
- " Debenture/loan stock.
- " State and local governments bonds
- " Offer by introduction

### **2.1 PUBLIC ISSUE OF SECURITIES.**

The Securities mostly commonly issued to the Public are shares or debentures. Public issue of shares or debentures takes three principal forms:

" Rights issues and open offers - This is a situation where the Company invites its existing shareholder or debenture holders to subscribe to further capital required.

" Placing or selective marketing - This is a situation where the Company agrees to allot the whole issue of the securities at an agreed price to a merchant bank, issuing houses, insurance companies or one or more firm of stock brokers or dealers and the intermediary then sells the securities to purchasers whom they find. (Private Placement)

" Invitation to the public generally to subscribe for or purchase securities of a Company.

### **3.1 SECURING THE APPROVAL OF THE REGULATORY AUTHORITIES.**

Section 541 of the CAMA provides that the Securities and Exchange Commission (hereinafter called "the Commission") shall administer all dealings in company securities. In pursuance thereof, the Commission made out detailed Rules and Regulations in order to successfully and effectively control dealings in securities. Thus, the Commission is vested with powers to register public issues of securities and gives approval and consent in certain circumstances. Also, the approval of the relevant Stock Exchange is required for Companies that are quoted.

### **4.1 REGISTRATION OF SECURITIES.**

The provisions of CAMA and the SEC Act provides for the registration of all securities offered to the public for sale or subscription. In this regard, Section 9 of the SEC ACT and Rule 40(B) of the Rules and Regulations of the Commission stipulates the requirements for such registration as follows: -

- filing of application on FORM SEC 6 as provided in Schedule 3 to the Rules and Regulations of the Commission. The application is ordinarily accompanied by: -
- a copy of resolutions by the General meeting authorizing the offer and certified by the Company Secretary;
- two copies of the Memorandum and Articles of Association (including amendments thereto) of the Issuer, certified by the Corporate Affairs Commission (CAC);
- Copy of Certificate of Incorporation certified by the Company Secretary;
- Signed copy of audited accounts for the preceding 5 years or number of years for which the company has been in operation (if less than 5 years);
- Two copies of draft prospectus and abridged prospectus;
- Two copies of the draft Trust Deed, where applicable;
- Two copies of the draft underwriting agreement and sub-underwriting agreement where applicable;
- Two copies of vending agreement;
- Where there is more than one issuing house, the agreement regulating the relationship between the joint issuing houses in respect of the offer shall be filed with the Commission;
- Letters of consent of the Directors and other parties to the issue;
- Copies of material contracts (if any);
- Details of the Directors and litigation's against the company (if any);
- Any other document required by the Commission under the Rules and Regulations.
- Completed duplicate copies of SEC FORM 6.

### **4.2 The ESSENCE OF REGISTRATION.**

The essence of registration is to provide full and correct disclosure of material and provable facts concerning the Company (otherwise, called "Issuer" or "Registrant") and the securities it proposes to offer for sale or subscription. The primary reason for registration of securities is to ensure that an investor is given all the relevant information to guide him to make a realistic evaluation of the merits of the securities and to decide whether or not to buy and at what price.

### **4.3 THE REGISTRATION STATEMENT**

This is a term used mostly by the Commission to refer to the totality of the documents in pursuance of the application form for registration filed with the Commission by an Issuer of securities. This includes any statement, prospectus, report, memorandum or document accompanying an application for registration and any amendment thereto. In practice, the registration statement consists of two main parts:

- SEC FORM 6, and
- Prospectus

### **5.1 FEATURES OF SEC FORM 6.**

Rule 40(B) 2 of the Rules and Regulations of the Commission provides for the items and information that ought to be contained in SEC FORM 6. These contents as specified in Rule 40(B) 2 aforesaid includes amongst others:

- the company's nominal value,

- " the organizational, financial structure and nature of business of the company,
- " bonus and profit arrangement,
- " schedule of claims and litigation,
- " management and service contracts,
- " evidence of property ownership and transfer
- " any other material information

Note: A completed FORM SEC 6 with the statement contained is to be sworn to before a Commissioner of Oaths or a Notary Public of Nigeria before filing it with the Commission.

## **5.2 PROSPECTUS.**

The second part of the registration statement is the prospectus. The relevant provisions of CAMA and the SEC Act stipulate that it shall not be lawful to issue any form of application for securities in a public Company unless the Application Form is issued with a prospectus. We refer to Section 548 of CAMA and Section 9 (1) of the SEC Act.

Section 650(1) of the Act defines Prospectus to mean "any prospectus, notice, circular, advertisement, or other invitation, offering to the public for subscription or purchase any shares or debentures of a company and includes any document which save to the extent that it offers securities for a consideration other than cash, is prospectus".

Suffice it to state that the prospectus is the legal offering document that is made available to investors. It is both a selling document and a disclosure document. This fact invariably leads to misunderstanding and conflicts among the practitioners involved in the public issue on what should be contained and disclosed in the prospectus. However, the provisions of CAMA and the Rules and Regulations of the Commission have significantly provided a check on the malpractices that may occasion by stipulating the minimum content of a prospectus for public issue of securities.

## **5.3 CONTENTS OF PROSPECTUS.**

Schedule 15 of CAMA and Rule 56 of the Rules and Regulations of the Commission have standardized the format of a prospectus and also stipulated the information to be disclosed therein. Whilst the Commission had standardized the first three sections of the prospectus, the rest can be presented in any style provided the prescribed information is contained therein.

Every prospectus filed with the Commission shall be in duplicate and must be in printed form and in A4 papers.

The front cover contains the following:

- " Name and RC. No. of the Issuer;
- " Name and RC No. of the issuing house;
- " Type of offer - either offer subscription or offer for sale or rights issue;
- " Securities being offered, the price and amount payable in full on application;
- " Date of the prospectus, which shall be the date of publication;
- " Approval and registration clause, which is normally printed in red at the bottom:

"This prospectus and the securities which it offers have been approved and registered by the SEC. It is a civil and criminal offence under the SEC Act and the CAMA to issue a prospectus, which contains false or misleading information. Approval and registration of this prospectus and securities which offers do not relieve the parties from any liability arising under the Decree for false or untrue statement contained therein, or for any omission of a material fact".

The forepart of every prospectus provides a detailed table of contents showing the subject matter of the various sections or sub-sections of the prospectus and page number on which its section or sub-section begins.

- " Summary of the offer;
- " Directors and Parties to the Prospectus;
- " Chairman's Letter;
- " History and Business;
- " Management and Staff;
- " Purpose of Issue;
- " Future developments and profit prospectus;
- " Capital structure;
- " Principal shareholders;
- " Dividends;
- " Underwriting (if any),
- " Litigation and related matters;
- " Expert opinions (solicitors, Accountants, etc.)
- " Financial information;
- " Plan of distribution (names of Receiving banks and names and address of stockbrokers);
- " Use of proceeds;
- " Statutory and General Information.

The Second Section of every prospectus describes the "offer" and contains statements covering the following:

" A copy of this prospectus together with the documents specified therein had been delivered to the Securities and Exchange Commission for registration.

" This prospectus is issued under Section 550 of the Companies and Allied Matters Act, Cap 59, Laws of the Federation of Nigeria 1990 and in compliance with the requirements of the Securities and Exchange Commission Act, Cap 406, Laws of the Federation of Nigeria 1990, the Rules and Regulations of the Securities and Exchange Commission ("the Commission") and the listing requirements of the Stock Exchange ("the Exchange") for the purpose of giving information to the public with regard to the shares of the Company.

" The Directors of the Company collectively and individually accept full responsibility of the accuracy of the information given and confirm, having made all reasonable enquires that to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading or untrue."

Furthermore, the Second Section discloses the following:

" The status of the securities - whether or not it would rank pari passu in all respects with the existing shares or with respect to debt securities and if application has been made to a Stock Exchange for the listing of and dealing in the shares of the company and upon admission of the shares to the Official, list whether the shares will qualify as a security in which Trustees may invest under the Trustee Investment Act, Cap 449, Laws of the Federation of Nigeria 1990.

" The name of the issuer, the issuing house, their respective registration number, the type of offer, amount of shares being offered, the price and amount payable in full on application;

" A summary of the offers stating the amount on offer, the offer price, purpose of the offer, minimum application and multiples thereafter, net assets per share, forecast earnings per share, forecast earnings yield at the offer price, forecast price earnings ratio, forecast dividend per share and forecast dividend yield;

" The times of opening and closing of the offer, the share capital of the company, issued and fully paid and the indebtedness of the company, stating details of bridging loan, if any.

The Third Section provides for the disclosure of the list of the Directors of the issuer and other

parties to the issue and their addresses. The other parties include: -

- " Issuing house;
- " Brokers;
- " Underwriters;
- " Trustees;
- " Solicitors to the issuer;
- " Other solicitors;
- " Reporting Accountants;
- " Auditors;
- " Receiving Banker(s);
- " Registrar
- " Secretary and Registered Office.

#### Other Statutory and General Information

The arrangement of the required information to be contained in this part of the prospectus is left to the discretion of the issuing house/issuer but should however cover the following: -

" The Chairman's letter which generally should state in brief the history and business of the company, information on the board of directors, management and staff, purpose of the offer, profit prospects and, working capital position, future developments of the company, premises, location and lease terms.

" Historical financial information including the accountant's report, accounting policies, balance sheets, profit and loss accounts of the issuer for immediate five years, statement of source and use of funds and notes on the accounts;

" Reporting Accountants' comments on the profit forecast, underlying assumptions and the balance sheets;

In addition the following information is equally disclosed:

- " date of incorporation;
- " registration number and share capital;
- " history of the company;
- " the principal shareholders;
- " director's interest;
- " subsidiaries and associated companies;
- " extract from the articles of association;
- " claims and litigations;
- " material contracts;
- " consents;
- " documents available for inspection;
- " underwriting and other material information;
- " procedure for application and allotment;
- " receiving banks and Stockbrokers.

Note the following:

" Written consents filed as part of the registration statement shall be dated and signed manually by the person giving his consent. A corporate body giving consent shall do so through a duly authorized person who is either its Chief Executive or a person acting in that capacity and its Company Secretary and sealed with the company seal.

" The prospectus shall disclose material details on the purpose of the offer in order of priority and shall state an approximate amount of the proceeds of the offer to be used in respect of each purpose.

" The amount of contingent liability arising in respect of legal actions or any claims and litigation in which the company is involved as of the time of the offer.

" All preferential allotment must be clearly highlighted in the prospectus. However, preferential allotments are not allowed in respect of the issues by public Banks- see Section 17 of SEC Act.

#### **5.4 ABRIDGED PROSPECTUS**

The Abridged prospectus is more or less a summary of the full prospectus, which contents have been highlighted above. Further to Rule 57 and Rule 58(A) of the Rules and Regulations of the Commission, an Abridged prospectus shall contain the following statements and information: -

" The Registration Compliance clause as stated in the Rules and Regulations of the Commission- see Rule 58(A) (i) of the aforesaid Rules;

" The Directors responsibility/liability for mis-representation and mis-statement;

" The Issuer and RC No.;

" The Issuing House(s) and RC No.;

" The Type, Volume and Price of security being offered;

" Opening and Closing Date;

" Share Capital and Reserves;

" Indebtedness.

Other disclosures in the Abridged prospectus include: -

" Summary of Offer;

" Directors and other parties to the issue;

" Financial information: forecast and historical;

" General and statutory information in abridged form including history of the Company, future development and profitability;

" Material contracts;

" Claims and litigations;

" Purpose of issue and issue proceeds;

" Costs and expenses;

" Procedure for application and allotment;

" Receiving agents;

" Application form and instructions for completion.

Note that abridged prospectus avails if: -

" Under Sections 551 and 553 of CAMA, there is an exemption, which in most cases is evidenced by an "Exemption Certificate" issued by the appropriate Stock Exchange.

" The Issuer's name is in the Official List of the Nigerian Stock Exchange

#### **6.1 CONTRACTS FOR THE PARTIES.**

The contracts that parties to an Issue necessarily enter into are: -

" Underwriting agreement;

" Vending agreement.

##### **The Underwriting Agreement**

In line with the Federal Government Policy on deregulation, the Commission makes it mandatory for Issuing Houses to underwrite all public issues being packaged except a Rights Issue and where the Issuer specifically requests for non-underwriting. The Commission sets out the terms of the underwriting contract, the Commission payable and the nature and the commitment of the underwriter including when payment should pass to issuer in respect of the commitment.

For definition of Underwriting, see Rule 186 of the Rules and Regulations of the Commission.

The Commission in carrying out its duties has specified some information that must be disclosed

in an Underwriting Agreement - Rules 75, 76, 77, 78 and 187(B) of the Rules and Regulations of the Commission. These include: -

" The level of commitment of the Underwriter(s).

" Time when amount underwritten is to be made available - for firm underwriting, the amount underwritten must be made available within 5 days after the Completion Board meeting and in the case of standby; the amount underwritten must be made available within 6 weeks from the close of subscription.

" Underwriting commission - for firm commitment underwriting, the commission is 4% of the amount underwritten, while the commission for stand-by underwriting is 1% of the amount underwritten. Note-that the financial strength of the Issuing House will determine whether it can offer a firm or stand-by underwriting commitment. This is because of the huge capital required to undertake underwriting.

" Amount of the issue offered for subscription or for sale.

" Responsibility of parties in the event of a default.

" Sub-underwriting agreement where a consortium of underwriters is involved.

In addition, an underwriting agreement should contain the following: -

" The parties to the agreement;

" Recital of the company's resolution(s) authorizing the issue;

" Recital of the Company's resolution(s) appointing the issuing house and underwriters for the issue;

" Recital to the purpose of the issue;

" Representation and Warranties from the Underwriter and the Issuer that: -

- The company is duly incorporated and is empowered by its Memorandum and Articles of Association to issue the shares.

- The shares being offered conform with the description in the prospectus and are duly authorized and validly issued, where it is not a new issue, that the share have been fully paid for.

- Where applicable, that application has been made to the Nigerian Stock Exchange for listing and has complied with the listing requirements.

- Application has been made to the Commission for registration of the securities and approval of the prospectus and that it has complied with all requirements of the Commission.

- Information in the registration application and the prospectus are up to date, correct and has no material omissions or misrepresentation.

" The level of underwriting commitment should be stated in clear terms.

" Time of closing the deal should be stated.

" The underwriting commission - the Commission as already stated above fixes this.



- " The issuer's covenant to provide the underwriter with all documents relating to the issue.
- " Covenant to pay all costs, fees and expenses - the issuer ordinarily bears this.
- " Exemption of liability clause in favour of the underwriter - this does not cover liability arising from information provided by the underwriters for which the underwriters indemnify the issuer.
- " The underwriting agreement should also state that application has been made for approval from the Commission.
- " Termination Clause.
- " "Market Out" Clause - this clause permits the underwriters at their option, to be released from their underwriting commitment if there are material adverse conditions affecting the securities market generally e.g. revolutions or war; trading suspensions on the Exchange and if the company's representations and warranties in the agreement prove to be untrue or inaccurate in any material respect.
- " The agreement should also provide that an underwriter might subscribe in its own name as an investor in the securities being offered provided that the amount of such subscription shall not be used to satisfy its share of the underwriting commitment under the agreement.
- " An Arbitration and Applicable Law clause;
- " Execution and Attestation Clauses.

Note: Where there is a duly executed underwriting agreement, it should be filed with the Commission. The sub-underwriting agreement should contain amongst others: -

- " Authorization clause;
- " Undertaking clause - to share in the expenses and liabilities arising from any suit against the representative in connection with the underwriting;
- " Acknowledgment clause - acknowledges receiving and perusing all the necessary documents in the transaction;
- " Covenant as to capacity as a registered security dealer.

### **Vending Agreement**

The Vending Agreement is an agreement between the Issuer and the Issuing House for the packaging and marketing of the issue. The Commission also vets and approves a Vending Agreement accompanying an application for registration of public issue of securities. The Agreement should contain the following: -

- " The names and addresses of parties
- " The board resolution authorizing the issue and the appointment of the Issuing House;
- " The obligations of the Issuing House, that is: -
  - Marketing the issue;
  - Preparing the necessary documentation and obtaining the approvals from the regulatory authorities;
  - Circulating and advertising the Prospectus and the Application form;
  - To Remit proceeds of the issue to the Issuer as and when due.
  - Ensuring that documents for inspection are available at the place and within the period stated in the prospectus.
- " The obligations of the Issuer, that is: -
  - Furnishing the Issuing House with all necessary information
  - Bearing all costs, fees and expenses incidental to the Issue.
  - Indemnifying the Issuing House against any liability to any interested party for non-disclosure of material fact or for false and misleading statement in the prospectus.

- Delivering to the Issuing House all documents stated in the prospectus to be available for inspection.
- " Representations and Warranties by the Issuer that: -
  - It has no liability (contingent or otherwise) of an onerous or unusual nature except as disclosed.
  - All statements of fact in the prospectus are true and accurate in all respects.
  - Since the date of the last published accounts of the company, the business of the company has been carried out in the ordinary and usual manner.
  - The company is not engaged in and does not have any pending or threatened litigation or arbitration, which is of material importance to the Issue other than as stated in the prospectus and abridged particulars.
- " Liability Clause-payment of vending fees where the issue is stalled or aborted.
- " Termination Clause
- " Arbitration and Applicable Law Clause

### **7.1 Pre-Offer Meetings**

These are meetings held by the interested parties, whether individually or collectively, before an Offer is made in order to secure the approval of the regulatory authorities (the Commission and the Nigerian Stock Exchange) to the public issue. These include: -

- " Board/General Meetings
- " All parties meeting (Interested Parties Meeting)
- " Completion Board Meeting.

#### **Board/General Meeting**

These are meetings held by the Issuer. Ordinarily, these are meetings where resolutions authorizing the issue and appointment of the Issuing House(s) are passed. It would appear that the resolutions arising from either the Board or General meetings form the plank of the whole process of public issue.

#### **All Parties Meeting**

This refers to the meeting or meetings held by all the parties to the offer. The purposes for this meeting are: -

- " Introduction of the parties;
- " Establishing a time-table and schedule for accomplishing the whole process;
- " Studying the Issue time-table closely to ensure that adequate time is provided for the respective responsibilities of the parties;
- " Acquainting the parties with the purpose of the Issue;
- " Handing over to the parties the documents and information with which they would perform their respective roles - Trustees, Solicitors and Accountants
- " Strategizing and articulating on the efficient and speedy way of completing the process.

#### **Completion Board Meeting.**

This is the meeting of the Issuer at which the Board and the other parties to the Issue ratify the various elements of the Issue. Also, at this meeting, the various statements made in the prospectus are verified and the various legal agreements, offer documents and advertisement materials in respect of the Issue are signed.

Note: The Completion Board Meeting is convened upon the Commission being satisfied with the various arrangements and documentation submitted to it for the issue, namely: the application Form, prospectus and other accompanying documents.

### **8.1 REGISTRATION**

Within 48 hours of the Completion Board Meeting, two singed copies of the prospectus; counterpart copies of the agreements must be submitted to the Commission for registration.

The Commission thereafter registers the offer documents and the securities if all the conditions

have been fulfilled and gives approval for dates of opening and closing the offer to the investing public.

## **9.1 CLOSE OF OFFER/ALLOTMENT.**

### **9.1.1 CLOSE OF OFFER.**

Rule 60 of the Rules and Regulations of the Commission provided for the period that an offer would remain open and thereafter close. It provided that an offer shall remain open for a period of 21 working days from the date of opening stated on the prospectus. In other words, the date of closure of issue is invariably stated in the prospectus.

Note: - In the case of a Rights Issue, the offer shall remain open for a period of 28 working days.

- Upon application, the commission may grant extension of the offer period.

### **9.1.2 ALLOTMENT.**

Allotment, that is, the distribution of shares or the securities, is the joint responsibility of the Issuing House and the Issuer. The allotment has to be completed and an allotment announcement submitted to the Commission, for information purposes, within six (6) weeks of the close of the issue unless, there is an extension of time- see Rule 68 of the Rules and Regulations of the Commission.

## **10 CONCLUSION:**

We have attempted by this paper to discuss in details the matter of public offer of Company's securities. There is no doubt that the public offer of securities is overtly regulated and governed by Statutes that require strict adherence.

It is therefore important that stakeholders in the capital market and all persons involved in a public issue have to adhere strictly to the provisions of the relevant statutes. Although in the body of this paper, it was not emphasised, the enabling Statutes provided for penalties for non-adherence to its provisions.

The end result therefore is that all those involved in a public issue must exercise due diligence and commitment in their respective roles. This definitely would avoid pitfalls, errors and mistakes that ultimately prolong the perfection of a public issue.

## **FURTHER READING**

### **" STATUTES**

- Companies and Allied Matters Act, Cap 59, Laws of the Federation of Nigeria, 1990.
- Investments and Securities Act, 1999,
- Securities and Exchange Commission Act, Cap 4-6, Laws of the Federation of Nigeria, 1990.
- Securities and Exchange Commission, Rules and Regulations, 2000.

### **" BOOK/JOURNAL**

- Abdulai, Taiwo & Co.; Solicitors, Establishing a Business in Nigeria, 4th Edition, Chapter five.
- Black's Law Dictionary, 5th Edition.
- Deji Sasegbon, Nigerian Companies and Allied Matters Law and Practice, Vol. 1 & 2.
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