



CHAPTER 78A  
ARTICLE 2 - FRAUDULENT AND OTHER PROHIBITED PRACTICES

N.C.G.S. § 78A-12.

Manipulation of market.

|                                                                                                       |                                                                                                   |                                                              |                                                                                                                 |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <div>SOURCE</div> <div>General Statutes of North Carolina, as published by the General Assembly</div> | <div>LAST AMENDMENT IN THIS TEXT</div> <div>S.L. 2003-413, s. 1 — second act in the lineage</div> | <div>RETRIEVED</div> <div>21 September 2026, 01:27 UTC</div> | <div>SOURCE FINGERPRINT</div> <div>948fb1d7e0b85c4fb83b4ebe - 028fe054f8496be9242564db - 359f9ce99217f6ab</div> |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|

- § 78A-12(a)
- In addition to the prohibitions of G.S. 78A-8, it is unlawful for any person to do any of the following:
- (1)

Willfully quote a fictitious price with respect to a security.
- (2)

Effect a transaction in a security which involves no change in the beneficial ownership of the security, for the purpose of creating a false or misleading appearance of active trading in a security, or a false or misleading appearance of activity with respect to the market for the security.
- (3)

Enter an order for the purchase of a security with the knowledge that, at substantially the same time, an order of substantially the same size, and at substantially the same price, for the sale of the security has been, or will be, entered by or for the same person, or an affiliated person, for the purpose of creating a false or misleading appearance of active trading in a security, or a false or misleading appearance of activity with respect to the market for the security.
- (4)

Enter an order for the sale of a security with knowledge that, at substantially the same time, an order of substantially the same size, and at substantially the same price, for the purchase of the security has been, or will be, entered by or for the same person, or an affiliated person, for the purpose of creating a false or misleading appearance of active trading in a security, or a false or misleading appearance of activity with respect to the market for the security.

- (5)      Employ any other deceptive or fraudulent device, scheme, or artifice to manipulate the market in a security, including the issuance, with the intent to deceive or defraud, of analyses, reports, or financial statements that are false or misleading in any material respect.

**§ 78A-12(b)**      A transaction effected in compliance with the applicable provisions of the Securities Exchange Act of 1934 and the rules and regulations of the Securities and Exchange Commission thereunder is not manipulation of the market under subsection (a) of this section.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I  
2 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.

| 1991                            |      | 1997                                   |           | 2003 |
|---------------------------------|------|----------------------------------------|-----------|------|
| TICK HEIGHT = ACTS IN THAT YEAR |      | DASHED = RECODIFICATION, NOT AMENDMENT |           |      |
| Nº                              | YEAR | ACT                                    | CHARACTER |      |
| 01                              | 1991 | c. 456, s. 1                           | ENACTED   |      |
| 02                              | 2003 | S.L. 2003-413, s. 1                    | AMENDED   |      |

APPARATUS II  
1 AUTHORITY

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

| REFERENCE  | APPEARS IN | OPERATIVE LANGUAGE IN THIS SECTION          |
|------------|------------|---------------------------------------------|
| G.S. 78A-8 | (a)        | <i>"In addition to the prohibitions of"</i> |

## APPARATUS III

## Citation

## FULL SECTION

N.C. Gen. Stat. § 78A-12 (2003).

## PINPOINT

N.C. Gen. Stat. § 78A-12(a) (2003).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

## COLOPHON

## Provenance

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This is not the official text. The official text is published by the General Assembly of North Carolina.

HISTORY PARENTHETICAL, AS PRINTED BY THE STATE  
(1991, c. 456, s. 1; 2003-413, s. 1.)

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NORTH CAROLINA LAW — STATUTE EXPORT, FORMAT V1

